DEPARTMENTS OF TRANSPORTATION, TREASURY AND GENERAL GOVERNMENT, AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 2005

TUESDAY, MARCH 9, 2004

U.S. SENATE,
SUBCOMMITTEE OF THE COMMITTEE ON APPROPRIATIONS,
Washington, DC.

The subcommittee met at 10:01 a.m., in room SD–138, Dirksen Senate Office Building, Hon. Richard C. Shelby (chairman) presiding.

Present: Senators Shelby, Bennett, Stevens, and Murray.

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

STATEMENT OF HON. NORMAN Y. MINETA, SECRETARY

OPENING STATEMENT OF SENATOR RICHARD C. SHELBY

Senator SHELBY. Good morning. The committee will come to order.

This is the first hearing of the Transportation, Treasury Subcommittee for the year, fiscal year 2005. Today we welcome a familiar face, Secretary Norman Mineta, back to this subcommittee. Mr. Secretary, welcome. We are pleased to have you with us today to discuss the Department's budget for the upcoming fiscal year and to hear your report on progress towards your goals for the Department of Transportation (DOT).

I believe it is only fitting that we begin our hearings with an overview of the budgetary and management challenges facing the Department of Transportation. Clearly the budget pressures faced by the administration and the Congress are reflected in this budget. Secretary Mineta, I looked through the budget submission for good news and I found myself at the end of the story with little to cheer about, as I am sure you have.

I want to applaud you though for not proposing any new user fees in this year's request that affect the budget. With our economy struggling to recover, I believe that now would be the worst time to increase the burden on transportation users or on the economy through the imposition of new transportation taxes. Our goal should be to do more with less and to relieve unnecessary impediments to efficiency in the transportation system. This budget provides the opportunity to explore how to do more with less.

I also want to commend you, Mr. Secretary, for the request for highway spending. While it is not as high as I hoped for, I am pleased that the budget abandons the RABA mechanism that would have generated a much lower amount of highway investment number for fiscal years 2004 and 2005. While the highway request is relatively flat, I want my colleagues to realize that it could have been much, much worse if the administration had blindly followed the previous authorization's flawed budget mechanism. Mr. Secretary, you are to be applauded for not embracing that folly.

As important as any of the shortcomings in this request, I am concerned with the National Highway Traffic Safety Administration's (NHTSA) request as it relates to anti-impaired driving efforts. I am saddened to note that alcohol-related deaths were up in 2002. NHTSA has made great strides over the last couple of years to improve seatbelt usage rates but this is something that I think we must do better.

I am also concerned about the lack of progress on the Amtrak fair bid concept for State-supported trains included in the fiscal year 2004 appropriations measure. I have been told that several States have contacted the Federal Railroad Administration for guidance on implementation of the language and nothing has been forthcoming.

Mr. Secretary, given the request for Amtrak for this coming year and its abysmal performance over the past 20 years, I would think this language would be an opportunity for the Department to take a positive step for people who want to ride trains and for the American taxpayer. I would also like to hear your thoughts on when the Department will move forward on this important initiative and would welcome your thoughts on what we should be doing to stop the financial bleeding at Amtrak.

As predictable as the request for Amtrak may have been, Mr. Secretary, no area of the Department's request was more unexpected than the Federal Aviation Administration (FAA) budget. Just a couple of months ago, shortly before the submission of your 2005 request to OMB, the administration made an all-out push for passage of the Vision 100 aviation reauthorization legislation. Now I look at this budget request and I am surprised to see that the FAA's capital account does not reflect the investment levels anticipated in that legislation. Your budget, Mr. Secretary, calls for a 13.6 percent reduction, roughly $400 million, to the Federal Aviation Administration's capital account to update air traffic control facilities and equipment.

I am concerned not only about the timing of the cut, but also about its effect. The administration's budget proposal puts this committee in the untenable position of having to find an additional $400 million or being subject to points of order in the Senate. It is difficult and unseemly to support budgetary protections and points of order protecting capital investment levels and, at the same time, to also support the kinds of cuts your budget proposes for the FAA capital account.

Within the reduced account, I am disappointed that the FAA has protected troubled acquisition programs and has shelved others that show real promise. Tighter budgets do not translate to greater discipline at the FAA. I do not know how the Department expects

to develop the Next Generation Air Traffic Control System if the FAA continues to spare from critical evaluation or from the budget axe the programs that have unbridled cost growth, schedule delays, and deferred capabilities.

Mr. Secretary, if the calculus in the F&E submission was to try to protect the most bloated of programs with the expectation that Congress would restore funding for the needed new technologies for efficiency and safety, there may be a few surprised faces at the FAA's procurement shop.

Before recognizing Senator Murray, I would like to raise one more issue. Although only briefly mentioned in budget documents, your staff has begun briefing the Hill on a major Department reorganization proposal affecting several modes. Clearly, the Department needs to improve the coordination of the enforcement of hazardous materials regulations and inspection of hazmat shipments. In fact, the Inspector General has identified this issue as one of the top 10 management challenges at the Department.

While improvement is warranted, I think we must be mindful that previous reorganization efforts have failed. And, I want to register my strong reservation about centralizing HAZMAT inspection and enforcement activities within the Office of the Secretary. The Office of the Secretary does some things well, such as policy development, but the modal administrations are better staffed and structured to execute operational functions like the HAZMAT program. It is highly unusual, and I would argue risky, to establish an operations function in the Secretary's office.

Senator Murray.

STATEMENT OF SENATOR PATTY MURRAY

Senator MURRAY. Thank you, Mr. Chairman. Mr. Chairman, I am pleased that Secretary Mineta can be with our subcommittee this morning. I understand he testified before the House Transportation Appropriations Subcommittee just a few days ago and I understand during that hearing the Secretary explained this budget reflects the President's top priorities. If this is true, then it is true that the President places an extremely low priority on the needs of our Nation's transportation system. At a time when congestion on our Nation's highways is getting worse and when our road, rail, airport and air traffic control infrastructure is deteriorating, the President's budget for the Transportation Department is effectively frozen. While there are increases in some select programs, these increases are offset by deep cuts to our efforts to modernize our air traffic control system and to provide air service to rural America.

Once again the administration is proposing a cut to Amtrak's budget that is so deep it will throw the railroad into bankruptcy if it is enacted. I cannot and will not agree with these priorities and I hope that my colleagues on this subcommittee will also reject them. For me this is about our jobs, our economy and our productivity. If we make the right investments in transportation we will create millions of jobs here at home, we will make our businesses and workers more productive, and we will lay the foundation for our future economic growth.

The Senate has also recognized the importance of transportation for our economy. Less than a month ago more than three-quarters

of the United States Senate voted in favor of a surface transportation authorization bill that placed an appropriate priority on investment in America's mobility, America's productivity, and the creation of American jobs. That bill called for substantial growth in our Federal highway, transit, and safety programs. It financed those increases by closing tax loopholes. The bill not only addressed America's broader needs to relieve congestion and improve aging infrastructure, it also addressed the unique needs of different regions of the country.

For example, I was successful in including an amendment to triple the amount of funding available for our Nation's ferry systems. Ferries are not just a tourist attraction in my State. They are the way thousands of my constituents get to work each and every day. The Bush Administration greeted that entire surface transportation bill with a promise to veto it. Yet when an amendment was offered on the Senate floor to reduce the size of the bill to a level that the President said he could accept, that amendment received only 20 votes.

That vote was less than 4 weeks ago but, boy, things have changed. Today the Senate is debating a budget resolution that was reported by the Budget Committee just last week that actually cuts funding for highways and transit back to the level assumed in the President's budget. This budget resolution will allow for $45 billion less in funding over the next 6 years for highways and transit than the levels the Senate endorsed just last month. That $45 billion reduction translates into more than 2.1 million jobs that will not be created as a result of the President's budget policy and this budget resolution. To my home State of Washington that is a cut of roughly $807.8 million. That corresponds to a loss of more than 38,000 jobs in Washington State over 6 years.

The President's cut will have a significant impact on every State. I hope my colleagues will reflect on that fact before they vote to pass this budget resolution. This budget negates every statement that we made a month ago about the importance of highway construction, new transit systems, congestion mitigation, and job creation. Mr. Chairman, this is hardly the first time that an administration has threatened to veto a highway bill because it is too large. In fact veto threats have been issued against each of the last three highway bills over last 18 years. But this may be the first time that a Congress has started to show signs of giving in to objections from the executive branch.

We need to pass a 6-year surface transportation bill that invests in America and America's workers in a meaningful way. We should not succumb to the view that investment in a mission to Mars is more important than investments in our country and in our own people. No one made this point better than Norman Mineta when he implored his colleagues to ignore the veto threat of the administration of George Herbert Walker Bush and pass the Intermodal Surface Transportation Efficiency Act.

Mr. Mineta said, and I will quote you, "this legislation comes at the time when it is desperately needed, both in terms of our infrastructure and for Nation's economic health. At a time when the White House continues to deny the effects of the economic recession we have before us legislation that will create 2 million jobs over the

next 6 years. While the people of 1600 Pennsylvania Avenue have not seen or felt the effects of the recession, Mr. Speaker, you have only to ask the people of Bethlehem, Pennsylvania if there is a recession, or the people of Chicago, or the people of Lafayette, or the people of San Jose. They will tell you that our economy is hurting. They will tell you that America needs this legislation and we need it now."

"Mr. Speaker, this legislation will improve how Americans get from here to there as well as the air we breathe, our quality of life, and the future of our economy. Mr. Speaker, America's deserves nothing less."

Secretary Mineta, those words are as pertinent and on target today as they were when you delivered them on the floor of the House on November 26, 1991. America does deserve nothing less. We should send the highway and transit bill that the Senate passed last month to the President's desk, and I believe that if he listens to his Transportation Secretary he will sign it.

Thank you, Mr. Chairman.

Before I yield I do want to mention a couple of happy and surprising developments that have taken place within the past week on this subcommittee family. As you know, our majority clerk sitting to your left, Paul Doerrer, got engaged over the weekend to Leigha Shaw. We congratulate him. Leigha is a friend to all of us. She serves on the staff of the companion subcommittee in the House and I want to congratulate both of them and wish them well.

PREPARED STATEMENT

And to my right, Peter Rogoff, who has been with the Appropriations Committee for 17 years, I believe 15 years on transportation, is celebrating his birthday today. I will not share with you which one, but I do want to say happy birthday to him as well and we wish both of you the very best.

Thank you, Mr. Chairman.

[The statement follows:]

PREPARED STATEMENT OF SENATOR PATTY MURRAY

I'm pleased that Secretary Mineta can be with the subcommittee this morning. He testified before the House Transportation Appropriations Subcommittee just a few days ago. I understand that during that hearing, the Secretary explained this budget reflects the President's top priorities.

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While there are increases in some select programs, these increases are offset by deep cuts to our efforts to modernize our air traffic control system and to provide air service to rural America. And once again, the administration is proposing a cut to Amtrak's budget that is so deep it will throw the railroad into bankruptcy if it is enacted.

I cannot and will not agree with these priorities, and I hope that my colleagues on this subcommittee will also reject them. For me, this is about jobs, our economy and our productivity. If we make the right investments in transportation we will create millions of jobs here at home, we'll make our businesses and workers more productive, and we'll lay the foundation for our future economic growth.

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in favor of a surface transportation authorization bill that placed an appropriate priority on investment in America's mobility, America's productivity, and the creation of American jobs. That bill called for substantial growth in our Federal highway, transit and safety programs. It financed these increases by closing tax loopholes.

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No one made this point better than Norman Y. Mineta when he implored his colleagues to ignore the veto threat of the administration of George Herbert Walker Bush and pass the Intermodal Surface Transportation Efficiency Act. Chairman Mineta said:

"[t]his legislation comes at a time when it is desperately needed—both in terms of our infrastructure, and for our Nation's economic health. At a time when the White House continues to deny the effects of the economic recession, we have before us legislation that will create two million jobs over the next 6 years. And while the people of 1600 Pennsylvania Avenue haven't seen or felt the effects of the recession, Mr. Speaker, you have only to ask the people of Bethlehem, PA, if there is a recession. Or the people of Chicago. Or the people of Lafayette, LA. Or the people of San Jose, CA. They will tell you that our economy is hurting. They will tell you that America needs this legislation, and we need it now. Mr. Speaker, this legislation will improve how Americans get from here to there, as well as the air we breathe, our quality of life, and the future of our economy. Mr. Speaker, America deserves nothing less."

Secretary Mineta, these words are as pertinent and on target today as they were when you delivered them on the Floor of the House on November 26, 1991.

America does deserve nothing less. We should send the highway and transit bill that the Senate passed last month to the President's desk. I believe that, if he listens to his Transportation Secretary, he will sign it. Thank you, Mr. Chairman.

Senator SHELBY. Thank you, Senator Murray.

Senator Bennett.

STATEMENT OF SENATOR ROBERT F. BENNETT

Senator BENNETT. Thank you very much, Mr. Chairman. With that announcement I think we can expect some late night conferences between the House and the Senate.

Mr. Secretary, let me welcome you here and publicly thank you for the continued support that has come from the Department of Transportation for transportation concerns in Utah. We are particularly pleased with the support and assistance we received from the Federal Transit Administration. Administrator Jenna Dorn and her staff have always been responsive and I would be remiss if I did not publicly acknowledge that here and in a forum directly with you. We think we have a model program going in the transit system along the Wasatch Front has proven to be very successful, exceeded all expectations and projections as to ridership and we are enormously proud of it. But we recognize that if we had not had the kind of support and responsive reaction that has come from Administrator Dorn we would not be where we are. So in a time when people are beating other people up on all kinds of issues, I want to have the record show how grateful we are for the work that you have done.

We do have an issue which I will deal with in some detail perhaps during the question period. In the wide open spaces of the West, particularly following 9/11, we have had a shift in air transportation away from what people call the main line carriers into the regional carriers, and a regional carrier that is very successful in Utah, SkyWest in particular, has added some new jets and some new routes. The economics of what happened after 9/11 has dictated this.

But it has created a problem in that DOT and FAA regulations regarding the transportation of medical specimens for diagnosis has hit us because the regional carrier is not designated to handle these specimens as much as the trunk carriers are, and with the University of Utah Medical Center serving the entire region, not just the State of Utah, we have to get some of those diagnostic specimens to the University of Utah. They would be transferred to regional carrier flights rather than the trunk line flights before. This is an issue that we have just found out about. I am not sure that you are aware of it either but I wanted to raise it here and we might get into it at some point.

With that, Mr. Chairman, I will be happy to hear the witness.

Senator SHELBY. Thank you.

Mr. Secretary, your written testimony will be made part of the record in its entirety. You may proceed as you wish. Welcome again to the committee.

STATEMENT OF NORMAN Y. MINETA

Secretary MINETA. Thank you very much, Mr. Chairman, and members of the subcommittee. Thank you for this opportunity to appear before you today to discuss the administration's fiscal year 2005 budget request for the Department of Transportation. I might say parenthetically in response to Senator Murray, then is then and now is now.

As we begin our discussion, I want to thank the members of the subcommittee for your support of the work of the Department of Transportation. I am confident that together we will continue to build a strong economy by providing a safer, simpler, and smarter transportation system for our great Nation. Let us turn now to the budget specifics.

President Bush is requesting $58.7 billion in total budgetary resources for the Department of Transportation. As you are very well aware, last year we sent the President's proposal for reauthorizing our surface transportation programs for the next year to the Congress. This legislation, the Safe, Accountable, Flexible and Efficient Transportation Equity Act, or SAFETEA, is a responsible plan. It supports the economy through record investments in our highway and transit and safety programs without raising gasoline taxes, without increasing the Federal deficit, and without taking money from other important programs. So I look forward to working with the Congress on enactment of the President's 2005 budget for highway, safety, and transit programs. While it does not fall under the jurisdiction of this committee, I do want to underscore the need for swift action on this pending SAFETEA proposal by the Congress.

FUNDING FOR SURFACE TRANSPORTATION

The 2005 budget reaffirms the President's commitment to SAFETEA by providing a total of $256 billion over the 6-year life of the bill up from the $247 billion in the original proposal. For highway and transit programs, the budget would continue the recently enacted 2004 funding level, and within this level we are increasing funding for transit new starts. These new start projects will carry over 243 million passengers annually and they will save over 121 million hours in travel time and significantly improve air quality and mobility in America.

The budget specifically designates more than $14 billion for transportation safety with increases in annual funding for safety initiatives in both the National Highway Traffic Safety Administration, NHTSA, and the Federal Motor Carrier Safety Administration, FMCSA. Today, travel on America's highway is safer than in recent memory. Statistics show that 75 percent of all Americans are using their safety belts, the highest level in our Nation's history. We are proud of this progress and will continue the Department's aggressive efforts to save lives and to reduce the more than $230 billion that the economy loses each year because of traffic crashes.

FUNDING FOR RAILROADS AND AMTRAK

For railroads, the President's 2005 budget includes $188 million for the Federal Railroad Administration to support enhanced track inspection and research activities. The President's Amtrak reform legislation, the Passenger Rail Investment Reform Act, is also pending before the Congress. The 2005 budget requests $900 million for Amtrak in 2005 with the potential for an increase to $1.4 billion in the years 2006 through 2009 if the Administration's management and financial reforms are enacted. Now these reforms are critical if we are to justify further spending of taxpayer dollars on Amtrak service.

FUNDING FOR THE FEDERAL AVIATION ADMINISTRATION

The President's 2005 budget for the Federal Aviation Administration provides $14 billion in overall funding. We recognize that air travel has become a cornerstone of our transportation system in the more than 100 years since the Wright brothers' first flight. While holding the line on Federal spending, the President's budget makes a modern and efficient air transportation system a key priority. Let me assure you that we are making the necessary investments to keep America flying safely and smoothly.

Our plans include continued near-term investments in aviation systems and technology to avoid gridlock in the skies and to improve air safety. At the same time we support the design of the next generation air transportation system to secure America's place as a global leader in aviation's second century. We are constantly considering new and better ways to make sure that transportation supports the Nation's growing economy. One option that we are exploring would enable the Maritime Administration and the Lawrence Seaway Development Corporation to expand capacity to use our ports and waterways to move commercial freight. Giving businesses reliable and affordable options for moving commercial goods has the potential to lessen truck traffic on our highways.

Transportation research plays a vital role in developing transportation solutions. That is why I have asked our staff to study reorganizing the research programs, hazardous materials oversight, and pipeline safety within the Department. I believe that there are ways to strengthen and improve our work in all of these important areas and you will be hearing more from us on these plans.

Finally, I want to close by underscoring my continued commitment to the President's management agenda initiative. The Department of Transportation has made significant improvements in all management areas. Consequently, we are delivering results for the American people, helping the President build a strong economy through a strong transportation system. There is still much to be done, but I am confident that we are on the right path.

PREPARED STATEMENT

I have touched on only a few key highlights and you will find additional details within my full written statement submitted to the committee as well in our Budget in Brief, which all of you have received. It is this multicolored pamphlet. At this time, Mr. Chairman, I would be more than happy to answer your questions.

[The statement follows:]

PREPARED STATEMENT OF NORMAN Y. MINETA

Mr. Chairman, Members of the subcommittee, thank you for the opportunity to appear before you today to discuss the administration's fiscal year 2005 budget request for the Department of Transportation. President Bush is requesting $58.7 billion in total budgetary resources for transportation programs—nearly the same as the fiscal year 2004 enacted level. I am particularly pleased that within this total funding level more than $14 billion will support transportation safety projects—my top priority.

Today, travel on America's highways is safer than in recent memory. Statistics show that 79 percent of all Americans are using their safety belts—the highest level in the Nation's history. We are proud of this progress and of the Department of Transportation's role in encouraging safety belt use. Yet sadly, more than 40,000 people still die in traffic crashes each year. Many die needlessly just because they

failed to “buckle-up”. This is a tragic statistic that affects all of us and one that both the President and I have pledged to address. We are committed to reducing traffic fatalities. The President’s fiscal year 2005 budget request acknowledges this priority and includes annual funding increases for our important safety programs.

Over the past year, the Department of Transportation provided to the Congress legislative proposals to reauthorize our Nation’s surface, aviation, and intercity-passenger rail programs. As a result, the “Vision 100—Century of Aviation Reauthorization Act” was passed providing the Federal Aviation Administration with a blueprint from which to guide its work over the next 4 years.

The fiscal year 2005 President’s budget reflects the administration’s commitment to aviation and the key role it plays in keeping America moving. On December 17, 2003, we celebrated the 100-year anniversary of the Wright Brothers’ first flight. Today, air travel has become a cornerstone of our transportation system. Continued investment in aviation systems and technology is critical to ensuring the reliability of air travel. The recent passage of the “Vision 100” which authorizes aviation programs for the next 4 years, includes more than $60 billion in Federal resources—a 31 percent increase above previous authorization levels for aviation.

The fiscal year 2005 President’s budget request is $14 billion for the Federal Aviation Administration (FAA). The fiscal year 2005 request will enable the agency to continue to fund the level of service it provides today, while ensuring that critical capital investments stay on track. In addition, “Vision 100” will result in hundreds of thousands of additional jobs in the aviation industry over the 4-year life of the bill while at the same time providing a plan for guiding FAA’s programs in the future.

Although we have new aviation reauthorization, work continues to provide reauthorization legislation for our surface programs, and long-term legislative solutions have not been completed to date. The recently enacted surface transportation extension bill is an interim step that falls short of addressing the long-term needs of these programs. We welcome the opportunity to work with the Congress to complete a 6-year reauthorization bill that meets the administration’s principles recently outlined in a letter Treasury Secretary Snow and I sent to the Senate Majority Leader and that will provide the resources and planning horizon to keep our surface transportation programs moving forward.

Enactment of the administration’s surface transportation reauthorization proposal—the “Safe, Accountable, Flexible, and Efficient Transportation Equity Act”, or “SAFETEA” would accomplish this goal. Last May, the President proposed “SAFETEA”—the largest investment in history for America’s surface transportation programs. The President’s fiscal year 2005 budget reaffirms the principles outlined in “SAFETEA” while amending our proposal to include a total of $256 billion over the 6-year life of the bill—an additional $8.6 billion more than the $247 billion in our original “SAFETEA” funding request—and a 21 percent increase over the funding included in the Transportation Equity Act for the 21st Century (TEA21). Much of this investment will be used to provide improvements on our roads and highways which will reduce traffic congestion.

Our revised proposal would continue the funding levels for the Federal Highway Administration and the Federal Transit Administration enacted in fiscal year 2004 for each year 2005 through 2009. Moreover, the fiscal year 2005 President’s budget request includes annual increases beginning in 2005 through 2009 for both the National Highway Traffic Safety Administration (NHTSA) and the Federal Motor Carrier Safety Administration (FMCSA) to ensure that improvements in safety are enhanced.

Our fiscal year 2005 budget proposal accomplishes the administration’s safety, mobility, and congestion relief goals by providing a historic level of surface transportation spending without raising taxes. Instead, the administration’s request relies on spending resources available in the Highway Trust Fund while ensuring that a cash balance of approximately $5 billion is maintained throughout the authorization period. Further, the President’s request would redirect the resources from the 2½ cents per gallon levied on gasohol, and currently deposited in the General Fund, to the Highway Trust fund. This redirection will increase annual receipts to the Highway Trust Fund by over $700 million per year—a change that, if enacted, will provide the resources needed to support the proposed annual funding increases for our safety programs.

“SAFETEA” provides a plan that will enable us to reach our goals, while providing the vision necessary to guide our surface transportation programs in a fiscally responsible manner. I urge the Congress to act quickly to pass “SAFETEA” and the fiscal year 2005 President’s budget request for our surface transportation programs. Every day we delay is a missed opportunity to benefit America.

Although highway, transit and highway safety programs play a major role in surface transportation, we also rely on railroads to move people and goods across our country. Intercity passenger rail is an essential element of the Nation's multi-modal transportation system. Accordingly, last year, in addition to our SAFETEA proposal, the administration sent to Congress the President's Passenger Rail Investment Reform Act. This proposal would align passenger rail programs with other transportation modes, under which States work in partnership with the Federal Government, in owning, operating, and maintaining transportation facilities, infrastructure and services. Putting passenger rail on a solid foundation of planning and investment will give this important mode of transportation the support it needs to grow. The President's fiscal year 2005 budget requests $900 million for Amtrak and includes the potential for an increase to $1.4 billion in each of fiscal years 2006 through 2009—if the administration's management and financial reforms are enacted.

The fiscal year 2005 President's budget also includes a proposal for funding the Essential Air Service (EAS) program that would include a limited cost-sharing arrangement with selected communities participating in the program. Currently, the EAS program subsidizes scheduled air service to communities that received scheduled service at the time of deregulation in 1978. Although there have been tremendous changes in the industry since then, the program has remained static. The administration believes that requiring a modest contribution from communities benefiting from this program may energize civic officials and business leaders at the local and State levels to think more creatively about the potential of the program and about different means to meet the transportation needs of the community.

The President's fiscal year 2005 budget request will continue to guarantee air service to the most isolated communities by restructuring the program to require communities to contribute either 10 or 25 percent of the total subsidy, depending on their degree of isolation, and to expand service provided to include ground transportation, single-engine, single-pilot operations, air taxi, charter service or regional service. With these reforms, the Department would keep the most isolated communities connected to the national air transportation system with a $50 million budget funded entirely from overflight fees. We look forward to working with you on this plan.

Although transportation continues to improve, we still have many challenges before us. Highway congestion and expected increases in air travel are issues we must be prepared to address. At the Department of Transportation, we are looking for new ways to address growing commercial freight transportation needs, consistent with our freight action plan. The President's budget includes programs to reduce bottlenecks in and around seaports and land borders with Canada and Mexico and to introduce technological innovations for improved freight efficiency and security. In addition, the Maritime Administration and the Saint Lawrence Seaway Development Corporation are advancing programs to expand our capacity to use ports and waterways to move freight and transport goods efficiently, thereby reducing dependence on our highways to meet growing freight needs.

Over the past year, I have considered the important role that transportation research plays in developing transportation solutions. That is why I have asked our staff to study reorganizing the research programs, hazardous materials, and pipeline oversight within the Department. I believe there are ways to strengthen and improve our work in all of these important areas. As we continue to study alternative approaches, we will work closely with you and our colleagues within the administration to ensure that any potential reorganization will continue to serve the Nation's needs.

I also want to highlight the fiscal year 2005 President's budget request for the new Department of Transportation headquarters building project. In fiscal year 2004, the Congress included $42 million for our new headquarters building in the General Services Administration's budget. Our request of $160 million in fiscal year 2005 would fund the next construction phase and the information technology infrastructure in the building. This would keep the project on track making it possible for the Department to begin taking occupancy as planned. Your support for this endeavor will ensure that the Department of Transportation will have an alternative site available when our current lease expires in 2006.

In closing, I would like to share with you my continued commitment to the President's Management Agenda. President Bush has asked all Federal agencies to work towards improvements in the following five key areas:

—enhanced budget requests that focus on results and performance;
—improved financial management and strengthened financial controls;
—targeted human capital initiatives that ensure our human resources are used as effectively as possible;

—use of competitive sourcing as a resource solution; and
—government-wide use of electronic government tools to improve efficiency.

My team at the Department of Transportation is working hard to implement these initiatives and I am proud to note that we have already made significant progress towards these goals. I believe we are on the path to success and we are committed to continuing these improvements as stewards of the American public's resources.

Thank you again for the opportunity to testify today. I look forward to working closely with all of you, and with the entire Congress, as you consider the fiscal year 2005 President's budget request and I look forward to responding to any questions you may have.

FUNDING FOR AIR TRAFFIC CONTROLLERS

Senator SHELBY. Thank you, Mr. Secretary.

The budget proposes a $370 million increase for FAA operations, $141 million more than the authorized amount. FAA is taking modest steps to control costs, but it cannot afford continued increases in the operations account of 5 percent to 8 percent annually. FAA salaries continue to increase sharply. We raised this issue last year when the average controller's salary was more than $106,000, and I am told that in the calendar year 2003 some controllers made more than $200,000. Controllers' salaries will further increase when the full 2004 pay increase is implemented.

Mr. Secretary, what steps is the Department taking to get the FAA's payroll under control, or how can you do it?

Secretary MINETA. There are two ways that we are doing that. The first is through the contract negotiations that we have going on with the separate labor units. The one specifically for NATCA is one in which we have arrived at an impasse. We have submitted our letter of impasse to the Congress relating to the contract negotiations that we have going on. Much of that has to do with pay, because under the program that Congress passed for the FAA, we have pay and procurement practices that are different from the regular civil service. One of the things that are incorporated is pay-for-performance.

One of the things that is involved in the impasse is the whole issue of multi-units and whether or not—and NATCA's proposal is that they want the full pay increase that everyone is getting, plus 1 percent. What we are looking at is not only individual performance but also whether the units themselves are meeting their performance goals. So we were not able to come to an agreement on that issue, and that has now been submitted for impasse.

The other method of controlling costs, of course, is the typical budgetary restraint. After our initial submission to OMB and the passback, when we get our final amount, we then have to reprioritize and allocate those financial resources. So to the extent that we can look at what our pay will be, or what our financial resources will be, we can match those to what we anticipate in pay increases in the outyears.

FEDERAL TRANSIT ADMINISTRATION ADMINISTRATIVE EXPENSES

Senator SHELBY. Mr. Secretary, I would like to discuss the budget request for FTA administrative expenses. People have been concerned about the annual increases for FAA operations for some time. As we review your budget submission, I note that the Federal Transit Administration's administrative expenses are growing at a

faster rate than FAA's operations. This would catch anybody's attention. Why are FTA's administrative expenses growing so sharply?

Secretary MINETA. I think one of the areas in which the FTA program is growing is transit services, both in urban areas as well as the increasing amount that is going to rural areas. These services require thorough reviews, and with the growth of the urban, rural, and the new starts programs, we are just spending a lot more time on going through the applications that are submitted to us. Even though most of these are earmarked programs, we still have to make sure that the ridership and financial capability of the system support what they are asking for. It takes a great deal of effort to go through those applications.

STATE SUPPORT FOR PASSENGER RAIL SERVICE

Senator SHELBY. Mr. Secretary, I mentioned in my opening statement that FRA has not issued guidance to implement the fair bid procedure for State-supported rail service. The funds that were set aside in the 2004 appropriations act expire at the end of the year and I would be disappointed if we let this opportunity to infuse competition into passenger rail slip away, especially given the interest of several States. When can we expect FRA to move forward on this initiative?

Secretary MINETA. FRA has been moving forward, Mr. Chairman, with Missouri, St. Louis to Kansas City, and they got no outside bidders other than Amtrak on that route. There are other States that have submitted requests or inquiries about the fair bid, and I am not sure—I am not up to date on where we are on those States. But we will be utilizing the fair bid process because we think that that is the right approach.

MOTOR FUEL TAX EVASION

Senator SHELBY. Mr. Secretary, fuel tax evasion is a subject we get into from time to time. According to the Federal Highway Administration, the highway trust fund forgoes approximately $1 billion annually due to non-payment or fraudulent evasion of motor fuel taxes. Are you satisfied as the Secretary with the steps taken by the Internal Revenue Service to identify the scope of the diversion and stop this from happening in the future? In other words, that is a lot of money that we are missing.

Secretary MINETA. It is a lot of money, and I am not happy with the level of enforcement on this issue. That is why our SAFETEA proposal has specific amounts for the Department of Treasury to enforce the Federal fuel tax, including the coloring of the fuel and tracing where it is going.

Senator SHELBY. This might be a subject that we can bring up with the IRS. Senator Murray and I have worked in that area before and we will take this up with the Internal Revenue Service too. You would not mind, I am sure.

Secretary MINETA. Not at all. I would be pleased to join in the conversation.

IMPAIRED DRIVING

Senator SHELBY. Impaired driving. We are concerned about the increase in the number of alcohol-related traffic fatalities which have risen steadily since 1999. To what factors do you attribute this disturbing trend and how do you assess the Department's current efforts at curbing impaired driving? In other words, how are you going to reverse the trend?

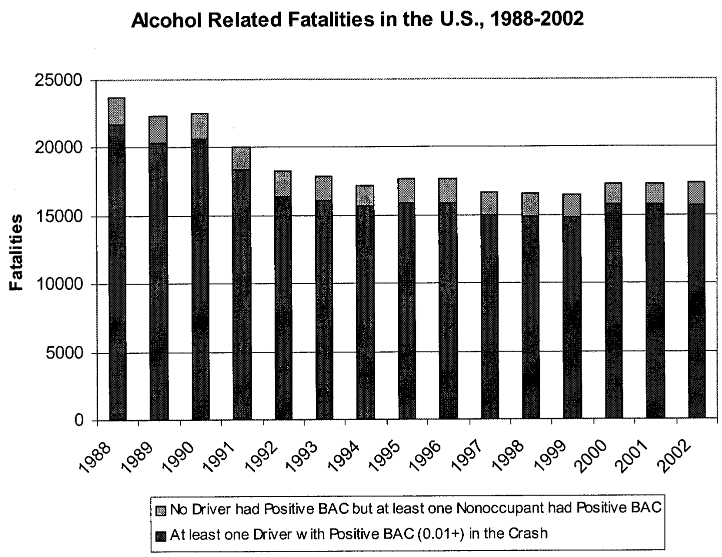
One last thing. I have a related point. I heard a report on a news program a couple days ago that said that if a drunk pedestrian walked in front of an automobile operated by a sober driver and was killed, the death would be treated as a drunk driving fatality. I do not understand the logic of that. Could you find out how the statistics are collected here and explain what has changed? In other words, how reliable are the statistics? If you are counting a drunk pedestrian that is killed by a sober driver, something is wrong. I do not know if that is right, but it would be worth looking into.

Secretary MINETA. Let me take a look at that and find out, but it just does not make common sense.

[The information follows:]

Crashes involving a sober driver and a drunk pedestrian are not considered by NHTSA as DWI (Driving while Intoxicated). Rather, NHTSA considers them "Alcohol-Related" crashes. NHTSA's definition of an Alcohol-Related Crash, in particular a fatal crash, is a motor vehicle traffic crash in which any of the actively involved persons (drivers, pedestrians or pedalcyclists) had a Blood Alcohol Concentration (BAC) of 0.01 g/dl or more (a positive BAC).

Most alcohol-related crashes involve at least one driver with a positive BAC. Some of these crashes also may involve a pedestrian or bicyclist with a positive BAC. However, there are also some crashes in each year in which no driver had a positive BAC but an involved pedestrian or bicyclist had a positive BAC. The data in NHTSA's Fatality Analysis Reporting System allows us to distinguish between these two categories, when analyzing alcohol-related crashes, as depicted in the following chart:



Source: National Center for Statistics and Analysis (NCSA) FARS 1998-2001 (Final) and 2002 (ARF) Files

SAFETY BELT LAWS

Secretary MINETA. In terms of the alcohol-related deaths, the 18-to-34 age group is the largest cause of fatal accidents. That combined with the issue of the seatbelt usage is why we are working very hard to get States to enact a primary safety belt law. In the SAFETEA legislation, there are incentives for States that have a primary safety belt law or a secondary safety belt law and attain 90 percent safety belt use.

There are, frankly, no States that get anywhere close to that level of safety belt use with a secondary safety belt law. But the two, alcohol-related deaths and safety belt usage, work hand-in-hand. Those are two programs that we work at very hard.

OVERSIGHT OF HIGHWAY CONSTRUCTION PROJECTS

Senator SHELBY. Mr. Secretary, ineffective management and oversight have led to significant cost increases, financing problems, schedule delays and technical or construction difficulties on highway construction projects. For example, the cost for the Springfield interchange in Virginia has increased more than 180 percent from $241 million to $677 million, in part because State officials initially excluded basic cost items such as construction management, inflation, preliminary engineering, and even the design.

What can you do or have you done to establish minimum standards for cost estimates so that basic cost items such as inflation, construction management, and design will not be excluded from estimates of what a highway project will cost? In other words, this

seems to be lowballing the original cost. How do you analyze this and project costs to ensure that they are close to what they claim they will be?

Secretary MINETA. Lowballing, of course, is always a problem and you try to catch this when you see change orders coming in. But what has happened more recently is the volatile steel prices. As I understand it, this has impacted on highway projects. But on large, what we call mega-projects, we have now assigned project managers to make sure that from a financial standpoint as well as scheduling and quality, if it is a 10-sack concrete job then we are in fact getting 10 sacks of concrete and not getting shortchanged in terms of the quality that goes into that work. Quality also impacts on the lifespan of that infrastructure. So we now have a specific project manager on those so-called megaprojects.

Senator SHELBY. Senator Murray, thanks for your indulgence.

FUNDING FOR AIR TRAFFIC CONTROL MODERNIZATION

Senator MURRAY. Mr. Secretary, the only proposed cut in your budget that is larger than your proposed cut in Amtrak is the $400 million you are proposing in the FAA to modernize our air traffic control equipment. In your formal opening statement, you take the time to point out that the President signed the Vision 100 bill which authorizes more than $60 billion in Federal resources, which is a 31 percent increase above previous authorizations for the FAA, yet your actual budget request, rather than honoring the increased authorizations in that Vision 100 bill, actually cuts investments for air traffic control modernization by 14 percent next year. When you look at the Bush Administration's multi-year budget it says that you want to cut modernization even lower in 2006. In total for the 4-year life of the Vision 100 bill the Administration plans to underfund the authorized level of air traffic control modernization by more than $2 billion.

What has changed since the date that the President signed the Vision 100 bill and today that has caused you to do such a sudden reversal when it comes to modernizing our air traffic control equipment?

Secretary MINETA. First of all, we are not doing anything to impact on the modernization. There are programs that we feel, as we reevaluated the program, needed to, frankly, be shelved and not move forward at this time. But in terms of the overall next generation air transportation system, we are not shortchanging improvements in capacity, safety, delays, or better information for air traffic controllers. Whether it be the STARS program or ASDX, the programs that will improve the system are funded by the 2005 budget and in the outyears as well.

What we are doing is reevaluating, from a priority perspective, what we have done in the past and asking ourselves whether we need to do those in the future. Many of those lower priority programs have been set aside. But important programs like WAAS and others are moving forward under the air traffic control modernization program, and we have funded it.

Senator MURRAY. A lot of the equipment out there is dozens of years old and was scheduled to be replaced many years ago. We have systems operating in our air traffic control system that are no

longer supported by their vendors and are still years away from being replaced. So how can we believe that a funding cut of this size will not have any impact on the pace at which we replace that aging equipment and the overall safety of our air traffic control system?

Secretary MINETA. I will submit that for the record. I do not have it with me right now. All of the equipment at the air traffic control towers and en route centers is still being shoehorned into the budget that we proposed.

Senator MURRAY. You will submit that to us for the record?

Secretary MINETA. I will submit that for the record.

Senator MURRAY. I will look at that.

[The information follows:]

The reductions in FAA's Facilities and Equipment (F&E) in the fiscal year 2005 budget were concentrated in new technologies that do not replace existing equipment, such as Data Link, the Local Area Augmentation System (LAAS), and Nexcom 1B (next generation communications). These new technologies were going to be expensive for both the agency and the industry. While there was support for these items by the users, it was not clear it made sense to move forward with them at this time given the economics of both the airline industry and Federal budget.

The FAA did not make any significant reductions to any programs that are currently necessary to modernize the airspace system. Funding levels for major modernization efforts like En Route Automation Modernization, the Standard Terminal Automation Replacement System (STARS), airport surveillance radars (ASR–9 and ASR–11), NEXCOM 1A, Advanced Technologies and Oceanic Procedures (ATOP), and the Voice Switching and Control System (VSCS) will continue to move forward in fiscal year 2005. The reduction in the size of the F&E budget will not affect the success of these modernization efforts.

SAFETEA FUNDING LEVELS

Senator MURRAY. Mr. Secretary, in my opening statement I voiced concern, as you heard, over the President's insistence that he will not support or sign a highway bill that exceeds $256 billion. One concern I have since we're talking about a 6-year authorization bill is that the President might support a bill authorizing funding at a certain level and then not live up to that commitment in his budgets.

For example, when the Bush Administration sent up its own aviation reauthorization bill it requested a total of $12 billion for air traffic control modernization over a 4-year period. Now when we look at the President's budget request for 2005 and beyond we see that he plans to request $2 billion less than the amount that he himself asked to be authorized. He only wants to fund 83 percent of the level he himself asked to be authorized.

Now when it comes to the surface transportation authorization bill, President Bush has said that he will not support a highway and transit bill that exceeds $256 billion over 6 years. Is the President committed to actually requesting that $256 billion in future budgets or is this merely a statement on what he will allow to be authorized?

Secretary MINETA. First of all, when we were putting SAFETEA together over a year ago, we talked to the President and he laid out certain principles such as no new taxes, no bonding mechanisms, and no increase in the deficit. So taking those directions, we then fashioned our SAFETEA proposal. The original proposal was

for $247 billion. Then within the last 3 or 4 months, it was raised to $256 billion.

But that action was based on the principles he laid out, principles that he still stands by. In fact, prior to the Senate consideration of the SAFETEA legislation, Treasury Secretary Snow and I submitted a letter reflecting the administration's position, saying that any bill that violated these principles and that went above $256 billion would be considered for veto.

Senator MURRAY. What I am actually asking is, when the President sent up his aviation reauthorization bill he requested $12 billion. We are now seeing his request come in much lower than that; in fact $2 billion less. What assures us that the President will actually fund the $256 billion if that is what we authorize? Even though I disagree with that, I am just asking you, what is the assurance that a year from now we are not going to see less requested than even that $256 billion?

Secretary MINETA. We took the enacted 2004 levels and have reflected those in the budget proposal and in SAFETEA as well.

Senator MURRAY. What I am asking is, will the President commit to asking for the budgets every year that meet that authorization, whatever it is, that he signs into law?

Secretary MINETA. Based on our submitted SAFETEA proposal, we do that.

HIGHWAY SAFETY

Senator MURRAY. Mr. Secretary, we have not always agreed on budget matters when it comes to your department. One area where we have always agreed has been the overarching importance of improving safety in all transportation modes. I want to really commend you, Mr. Secretary, for including funding in this year's budget for paid TV advertising to enhance seatbelt use and reduce drunk driving. The Committee has added funding for the last 2 years and the administration has finally requested funding in its 2005 budget request. This has been a very successful effort, as you know.

This year the administration gave its surface transportation authorization the title of SAFETEA, as you mentioned, to highlight the importance of safety provisions in the bill. Could you just take a minute to share with this committee what you consider to be the most critical safety enhancements that were included in the administration's bill?

Secretary MINETA. There is probably no single silver bullet that addresses the whole issue of safety. Safety can be engineering. Safety can be education. Safety can be a number of things. All of these are reflected in the SAFETEA proposal.

But also in the 2005 budget, we are putting a great deal of emphasis—in fact I am doing a lot of traveling on the issue of both safety belt use and driving while under the influence, DUI. I am traveling to different States right now to try to get primary safety belt laws, and have found this to be a responsive chord with many States. But we only have, I believe, 20 States with primary safety belt laws, so we have a long way to go. But we think that this is a good effort and we are enlisting a lot of new players into the program. I am going down to the NASCAR races in Richmond, in May

I believe, and they will be endorsing the whole safety belt program and initiating their program of promoting safety belt usage.

We are doing this with a number of different new constituent groups to increase safety belt use in our country.

Senator MURRAY. I commend you on that and want to keep working with you on that.

CONTRACTING OUT FAA FUNCTIONS

Mr. Secretary, as you know, the only reason that the FAA bill was allowed to pass the Senate was because FAA Administrator Blakey provided a letter to the Senate Commerce Committee promising that she would not contract out any additional FAA functions to the private sector during fiscal year 2004. I suspect this could become a very serious issue for the fiscal year 2005 appropriations bill because we do not have a commitment from you or Administrator Blakey for fiscal year 2005 or beyond.

As of now, are you aware of any areas where the FAA is considering contracting government work in fiscal year 2005 or beyond?

Secretary MINETA. Nothing additional that I anticipate. I think the letter that Administrator Blakely submitted for fiscal year 2004 still stands. There was consideration at one point about additional contract towers, but after the letter was sent——

Senator MURRAY. What areas are under consideration?

Secretary MINETA. The ones that we had under consideration prior to that letter relating to fiscal year 2004 were general aviation towers for VFR, visual flight rule towers. We do not have any further plans beyond the 2004 letter that she submitted.

Senator MURRAY. Can we get an identical letter for fiscal year 2005?

Secretary MINETA. Let me consult with Administrator Blakey on that and get back to you on that.

[The information follows:]

The Federal Aviation Administration is engaged in completing the public/private competition of the Flight Service Station (FSS) Services. The competition's results are expected in March 2005.

Senator MURRAY. Mr. Chairman, I will wait for the remainder of my questions. Thank you.

Senator SHELBY. Senator Bennett.

HIGHWAY FUNDING

Senator BENNETT. Thank you very much, Mr. Chairman.

Mr. Secretary, I have searched for things to question you about, areas to probe and prod, and things are going so well I do not have anything to complain about.

Secretary MINETA. You did such a great job as Assistant Secretary of Transportation that——

Senator BENNETT. It is the legacy of my service there.

Secretary MINETA. That is right.

Senator BENNETT. Last night we were alerted to this issue that I mentioned in my opening statement. I know that it catches you completely by surprise, as it did us. So I raise it now just so that we can be in correspondence with you on this issue and see if we cannot get it resolved.

For the record, I support the President's effort to get a SAFETEA program in place, but I think at some point we are going to have to spend more money. And if after he is safely reelected he were to come back to the Congress and suggest that for the first time since Ronald Reagan's presidency it is time to raise the gas tax, he would find a fairly sympathetic ear, at least with this Senator. I know I am taking my own political career in my hands when I say that because I am up for election this year too.

But the needs of our highway system, compound with the increasing population and the age of the interstate highway system—and one of the things that has happened that was not foreseen by any means when the interstate highway system was conceived is that interstates have now become the Main Streets of our major metropolitan areas. The interstate system was supposed to bypass downtowns so that people could go quickly across the whole country and never run into a traffic jam. Now the metropolitan centers have relocated themselves around the interstate and the interstate has become the main urban artery and therefore jam up now at rush hour. The whole purpose of getting the interstate system in place as conceived during the Eisenhower administration has been frustrated by that.

There is a solution to it, and it is financial. We are going to have to face up to that at some point in the future. So if you are back here next year and I am back here next year, and both of those depend on two separate elections, I will be happy to talk to you about increased funding through that particular source.

Secretary MINETA. Thank you, Senator. We will respond.

Senator BENNETT. Thank you.

Senator SHELBY. Mr. Secretary, we will get into another round, with your patience.

Secretary MINETA. Surely.

FULL FUNDING GRANT AGREEMENTS

Senator SHELBY. The Senate passed a 6-year reauthorization on the surface transportation legislation, as you well know. The House has not yet acted and the House Transportation and Infrastructure Committee chairman has floated a proposal to pass a 2-year authorization bill. If a 2-year extension of TEA21 is enacted into law, is enough additional commitment authority created to execute a full funding agreement for all of the projects listed as pending and proposed in your 2005 budget request?

Do you want to get back with us for the record on that?

Secretary MINETA. We will get back to you on that for the record.

[The information follows:]

The 6-year surface transportation bill, the Safe, Accountable, Flexible, and Efficient Transportation Equity Act, (SAFETEA) passed by the Senate on February 12, 2004, provides over $9.6 billion in budget authority over the fiscal year 2004–2009 period. Within this amount, $3.6 billion is needed to fully fund all approved or pending full funding grant agreements (FFGAs). This includes all projects with previous commitments or reserved authority under TEA21.

Under the Senate-passed bill, $2.1 billion will cover anticipated FFGAs for the following projects: the first increment of New York East Side Access; Central Phoenix East Valley Corridor; Charlotte-South Corridor LRT; Raleigh-Regional Rail; and, Pittsburgh-North Shore Corridor. An additional $3.9 billion would be available for future commitments and funding of projects anticipated after fiscal year 2005.

Senator SHELBY. If there is not enough commitment authority to cover all of the proposed funding agreements in the request, how would FTA choose the projects that it would enter into a full funding agreement? You would have to make some decisions. We would be very interested in that. What would your methodology be?

SHIP DISPOSAL

Ship disposal. MARAD has made progress in contracting for the disposal of obsolete ships from the National Defense Reserve Fleet. Recently, environmental concerns and legal proceedings have hindered these efforts. What steps are being taken to address the environmental issues, and what assurances is the Department providing to the countries receiving these ships that there is no environmental danger to them? Do you want to do that for the record?

Secretary MINETA. Let me do that for the record. We have 13 ships under contract to a United Kingdom firm, of which four have already been delivered and are sitting in the shipyard in Teaside, England. With our 2005 budget request we hope to increase that to 21 ships.

We have a very strict environmental process to go through in certifying those ships for movement to an overseas location. We used to sell the ships to Bangladesh or India just to get rid of them. But that is no longer possible. We have strict environmental requirements that have to be met. We do need the additional funding in fiscal year 2005 to dispose of these additional ships.

[The information follows:]

MARAD is pursuing all disposal alternatives in order to find the most cost-effective, environmentally sound disposal capacity available. Disposal alternatives include domestic recycling, foreign recycling, artificial reefing, deep sinking, vessel donation and vessel sales. The export of ships for recycling is a promising alternative that has provided an increase in competition and capacity, which allows more ships to be disposed of with available disposal funding. The ability to export ships for recycling will expedite the elimination of high-priority ships, significantly mitigate the environmental threat of oil discharge at the fleets and reduce the total number of obsolete vessels significantly. Although foreign facilities are not subject to the same worker and environmental laws as domestic facilities, MARAD's current process requires foreign companies to demonstrate to MARAD and the EPA that they can accomplish responsible vessel recycling in a manner that protects worker safety and health.

MARAD's actions to ensure that the ship disposal process does not harm the environment include activities while the vessels are at our fleet anchorages, during tow preparations and while at the contractor's facility. Programmatic ship disposal priorities and decisions are also made in order to mitigate any threat to the environment.

AT THE FLEET ANCHORAGE

MARAD has three reserve fleets sites where its non-retention, obsolete vessels are moored—the James River Reserve Fleet in Virginia, the Beaumont Reserve Fleet in Texas and the Suisun Bay Reserve Fleet in California. While the obsolete vessels are at the fleet anchorages awaiting disposal, four activities take place that are important to ensuring the environment is protected:

—Condition assessments—the material condition of each vessel is assessed, rated and ranked. Information from this assessment is factored into programmatic disposal decisions.

—Vessel condition monitoring—vessels are monitored for trim, stability, hull and fuel tank integrity, overall deterioration and adequate mooring.

—Vessel protective measures—cathodic hull protection systems are utilized to inhibit underwater hull deterioration and advanced mooring systems are used to secure the ships and protect them against damage from high winds and storms.

—Corrective repairs/maintenance—as required repairs and maintenance activities include pumping, patching, securing watertight closures, etc.

DURING TOW PREPARATIONS & TOW EVOLUTIONS

MARAD's contracts require the prime contractor to accomplish tow preparations and the safe towing of the vessel to the contractor's facility. Proper tow preparations are ensured through the requirement for a U.S. Coast Guard inspection and issuance of a loadline certificate prior to the commencement of the tow. The contractor is also required to have in place an approved Emergency Spill Management Plan and a Spill Management Company to be on call to respond if needed throughout the duration of the tow. The contractor and tow company are also required to carry the appropriate level of insurance to cover response and cleanup costs in the event of a discharge incident.

AT THE CONTRACTOR'S FACILITY

During the solicitation process prior to contract award, prospective contractors are assessed for their working knowledge of applicable environmental regulations. Technical Compliance Plans, required from the contractors, must provide comprehensive information related to environmental compliance measures to be followed during the course of the work. The contractor's documentation related to environmental activities is closely reviewed during the evaluation process, and a pre-award survey of the contractor's facility is accomplished if the contractor is new to MARAD.

MARAD's ship disposal contracts require the contractor and sub-contractors to comply with all municipal, State and Federal regulations related to the removal, handling, storage, transport and disposal of hazardous materials. This includes prime and subcontractor compliance with regulations associated with permits and licenses associated with hazardous material remediation activities. MARAD's Office of Environmental Activities provides on-site oversight over all project environmental activities either directly or through the use of third-party commercial environmental monitoring companies. MARAD's oversight at disposal facilities is in addition to on-site inspections and oversight provided by regional EPA and OSHA offices.

PROGRAMMATIC PRIORITIES

MARAD's ship disposal program priority remains focused on disposal of MARAD's worse condition, non-retention vessels. The material condition of the ship and the amount of residual fuels/oils contained onboard our vessels are factors that are considered in all vessel disposal decisions. Disposal of the "worse ships first" that contain the most residual oils/fuels mitigates the environmental threat at MARAD's fleet sites. MARAD's solicitations for disposal services include the higher priority vessels, and negotiations involving proposals that do not specify vessels will target the inclusion of higher priority vessels.

FUNDING FOR FAA CAPITAL PROGRAMS

Senator SHELBY. The FAA is requesting $2.5 billion for its capital account which is $400 million less than the authorized level and more than $300 million less than last year's enacted level. Hard decisions will have to be made there, Mr. Secretary. How will this impact the overall effort to modernize the air traffic control system? How are you going to do more with less? I would like to hear it. I would like to see you do it, but I do not know if you can.

Secretary MINETA. There are a lot of things that were once part of the capital program that we had to reevaluate with a smaller pool of resources. Some of the programs that were in prior facilities and equipment budgets are not as high priority today as they might have been when we had more money available. We are setting those aside and the more high-priority items where we get more value for the dollars expended are the ones we are moving foreword.

Safety, capacity and delay are our mantra. Those three criteria are what we use to look at what is in F&E and say, not as much is needed today as when we were more flush with funds. So we are

doing a lot of reprioritizing to make sure that we can get more with less. It is not that we are adding more on top of what is already there, but we are taking some of the lower priority items and setting those aside, admittedly.

AMTRAK

Senator SHELBY. Mr. Secretary, the administration has requested a subsidy of $900 million for Amtrak in 2005. Amtrak has once again asked Congress for $1.8 billion and continues to express a need for similar amounts over the next several years. Funding an increase above the current year level of $1.2 billion will be extremely difficult. What is your long-term plan for Amtrak if the current reauthorization proposal is not enacted?

Secretary MINETA. Mr. Chairman, the President's reform proposal that is before Congress is very important. We have requested $900 million for Amtrak, but we have also indicated that we would support $1.4 billion in the outyears, in fiscal years 2006 to 2009, conditional on Congress adopting the management and financial reforms that are in the President's reform proposal.

We have already expended over $35 billion on Amtrak since 1973, and we cannot continue down that path. The President is very supportive of intercity passenger rail, but not on the present path that we are on. We feel very strongly that there has to be reform of Amtrak. So if the Congress were to adopt the President's reform legislation, then we would support $1.4 billion in the outyears.

Another thing that has helped Amtrak is the action taken by the Appropriations Committees to direct that Federal grants for Amtrak be approved by DOT before going to Amtrak.

Amtrak has to submit an annual operating and capital financial plan. We reviewed Amtrak's plan in fiscal year 2003, and we are now doing that for fiscal year 2004. We have just approved the operating grant agreement with Amtrak, and FRA is now renewing the capital grant agreement. I think that has been a very effective tool in making sure that the financial management of Amtrak is kept under control.

COMMERCIAL DRIVER'S LICENSE PROGRAM

Senator SHELBY. In spite of the greater attention that it has drawn in recent years, the practice of fraudulently obtaining a commercial driver's license continues to pose a significant national risk, both in terms of highway safety and terrorism prevention. While the Department is to be commended, and I think we should do this, for the efforts it has taken thus far to curb commercial driver's license abuse, I think a lot of work needs to be completed in order to properly address the problem.

Mr. Secretary, what measures are being implemented and what do you plan to undertake during the next year in order to end, as much as you can, commercial driver's license fraud? How does the Department plan to oversee and coordinate with the States in order to assure that commercial driver's license fraud issuance is being conducted in accordance with Federal guidelines?

Secretary MINETA. Mr. Chairman, let me properly respond to you in writing, but one of the things that we are doing is to complete

17 Federal compliance reviews of State commercial driver's license programs. The end result is to increase oversight of the commercial driver's license program.

As you know, this has been the subject of some FBI fraud investigations, and we are making sure that we plug that hole. We are requesting $22 million for fiscal year 2005 for the State improvement of driver's license programs.

[The information follows:]

FMCSA has taken numerous actions to help prevent fraud in the Commercial Driver's License (CDL) Program. FMCSA's CDL State Compliance Review requirement is in the fourth year of implementation. These compliance reviews are a necessary part of the CDL program to ensure States have the statutes, administrative procedures, and equipment to administer their CDL programs in compliance with Federal requirements. Field personnel are receiving training on conducting compliance reviews and identifying testing and licensing procedures that may be susceptible to fraudulent activities. In continuation of supporting fraud prevention, FMCSA is funding the updating of the CDL Identification Manual. The manual contains color photographs of all U.S., Canadian, and Mexican commercial licenses for use by State licensing and enforcement officials to help identify fraudulent CDLs.

FMCSA is addressing the 22 recommendations made by the Office of the Inspector General (OIG) in the May 8, 2002, audit report on "Improving Testing and Licensing of Commercial Drivers," including ones related directly to fraud. Also in response to an OIG recommendation, FMCSA issued a policy memo on July 1, 2002, specifically recommending States use covert monitoring of CDL examiners as the preferred method of driver licensing oversight and control. Eighteen States have set up covert monitoring programs with CDL grant funds.

The CDL grant program has six priority areas. Two of them include detection and prevention of fraudulent activities including covert monitoring and implementation of the social security number (SSN) verification for CDL drivers. FMCSA received a $5.1 million fiscal year 2002 supplemental appropriation from Congress to verify all existing and new CDL driver's names, dates of birth and SSN with Social Security Administration (SSA) records to help prevent fraudulent identities from being created. To date, 40 States are verifying the CDL driver's identify through the SSA. The remaining States are being encouraged to establish SSN verification programs.

Finally, FMCSA, in cooperation with the American Association of Motor Vehicle Administrators (AAMVA), identified 14 tasks to detect and reduce fraudulent activities related to driver licensing. FMCSA received an $8 million fiscal year 2002 supplemental appropriation to help fund these tasks through a cooperative agreement. In addition, through the cooperative agreement FMCSA and AAMVA have funded revisions and upgrades to the CDL Knowledge Tests and software that can generate multiple versions of the tests. To further the fraud prevention initiative AAMVA has formed a Special Task Force on Identification Security to identify strategies to achieve intended outcomes. FMCSA is working closely with AAMVA through participation on the Task Force working groups and is providing funding for these efforts.

Senator SHELBY. Senator Murray.

MOTOR CARRIER SAFETY COMPLIANCE REVIEWS

Senator MURRAY. Thank you, Mr. Chairman.

Just following up on that, the number of compliance reviews, as I understand, have dropped significantly. Are you aware of that? In December 2002, FMCSA did 817 compliance reviews but only completed 472 as of December 2003. Since that is one of the most reliable ways to identify unsafe motor carriers why has there been such a precipitous drop in the number of reviews?

Secretary MINETA. I am not sure of those figures. I know that 17 compliance reviews are going on right now. Let me check on that State compliance number.

Senator MURRAY. Can you get the historical numbers for us?

Secretary MINETA. I will.

[The information follows:]

In fiscal year 2003, FMCSA began implementation of Section 210 of the Motor Carrier Safety Improvement Act of 1999 (MCSIA). MCSIA required FMCSA to establish regulations specifying minimum requirements for new entrant motor carriers seeking Federal interstate operating authority. There are approximately 40,000 to 50,000 new entrant carriers seeking operating authority each year.

During December 2002, 280 compliance reviews (CRs) were completed, which was significantly lower than the normal average of 800 compliance reviews per month. This was a result of an increased emphasis on conducting Security Sensitivity Visits (SSVs) in response to the events surrounding the terrorist attacks on September 11, 2001. In December 2003, 817 compliance reviews were completed, an increase of 537 (192 percent) from the previous December. This shows that FMCSA returned to its normal CR production level. Overall, 7,584 compliance reviews were completed in fiscal year 2002 and 9,060 were completed in fiscal year 2003, an increase of 1,476 (19 percent) for the year.

During the first 5 months of fiscal year 2004, FMCSA completed 3,348 compliance reviews, which is on target to meet FMCSA's projected goal of completing 8,000 compliance reviews for fiscal year 2004. While the fiscal year 2004 target is lower than the actual number of compliance reviews that were completed in fiscal year 2003, this is attributed to an increased emphasis on conducting New Entrant Safety Audits, as mandated by Congress.

AMTRAK

Senator MURRAY. Thank you. Also following up on the Chairman's comments on Amtrak—I know he is surprised that I am—as you know, the reforms that you are requiring have to be considered by the Commerce Committee. This committee has to set the number for fiscal year 2005. So I know that you are asking for the Commerce Committee to follow up on that, and then if they do it then you will go to the $1.4 billion in 2006 and beyond. But we are looking at 2005.

A 26 percent reduction in the dollars to Amtrak is said by Amtrak's president to take it into bankruptcy. Your own Department of Transportation Inspector General has testified in the past that a precipitous cut of size would mean bankruptcy for Amtrak. So that does not get us to 2006, if the Commerce Committee even moves forward on this. I know you are a member of Amtrak's board of directors. Do you know something that we do not know that will allow them to somehow manage to make it on a huge cut like this until reforms are enacted, if they are enacted?

Secretary MINETA. The operating financial management reviews that are going on right now, separate from the capital reviews, provide for some modicum of operational support. We cannot fund the full amount because that would require—I think you folks appropriated $1.3 billion in——

Senator MURRAY. One-point-two billion dollars.

Secretary MINETA [continuing]. And that was on a request of $1.8 billion from Amtrak. They are able to survive on $1.2 billion. Again they're requesting $1.8 billion and again we are taking a very hard look at——

Senator MURRAY. But your budget request is for $900 million.

Secretary MINETA. Nine hundred million dollars.

Senator MURRAY. That is significantly below this year's level, and both the Amtrak president and your own IG have said that Amtrak cannot survive at that level.

Secretary MINETA. Again, unless management and financial reforms are adopted——

Senator MURRAY. So you are basically saying that if your reforms are not adopted that go into effect by 2006, Amtrak is not going to survive?

Secretary MINETA. We are still holding by the need for reform.

Senator MURRAY. I hope the President takes a really active approach with the Commerce Committee.

Secretary MINETA. As I understand it, Senator McCain is about to introduce an Amtrak reform bill.

Senator MURRAY. We have been down this road before. I would just warn all of us that if this is the bar that we have to be held to, we are going to be again looking at a shutdown in Amtrak I do not think any of us wants to see.

CONTRACTING OUT FEDERAL JOBS

Mr. Secretary, earlier today you talked about your efforts in advancing the President's management agenda. Last year this subcommittee, as you will remember, was very involved in the issue of establishing standards for contracting out Federal jobs. One of the provisions that was included in last year's bill was a prohibition against using fiscal year 2004 funds to contract out any Federal job overseas. I was really surprised to see that the President's budget specifically requests that that provision be deleted for 2005.

Could you cite for us some of the instances the Department of Transportation might look at to take work that is currently being conducted by Federal employees and send that work overseas?

Secretary MINETA. I do not have any knowledge of that. I will have to take a look at that.

Senator MURRAY. I can see all of your staff shaking their heads. Then can you tell us why the President wants flexibility if you have no place that you actually want to send jobs overseas why he is asking to eliminate that provision?

Secretary MINETA. The President's request is a generic, government-wide request. But I am not familiar with any plan within our Department right now. Generally, we do not like to see these types of prohibitions in legislative language. In any event, I am not aware of any plans right now to send any jobs——

Senator MURRAY. I assume you would not object to that language staying in for fiscal year 2005?

Secretary MINETA. On behalf of the administration, of course. But in terms of any plans for, other than normal FAA employees that are in foreign positions, I have got people in Iraq, Afghanistan—not Afghanistan, but Iraq right now. We have got air traffic controllers in overseas spots. We have other positions. But we are not—I do not see, other than——

Senator MURRAY. But you do not see any problem with putting the provision in again that does not allow any contracting out of new jobs?

Secretary MINETA. Again, I do not like to see those kinds of prohibitions placed in legislative language.

Senator MURRAY. But you have no plans to contract anything out?

Secretary MINETA. I do not believe so.

[The information follows:]

The general provision in the President's budget to delete the restriction on contracting out Federal jobs overseas would apply government-wide, not just to the Department of Transportation. The administration believes the restriction against contracting out Federal jobs overseas is generally unnecessary because the government wins a vast majority of the work and many activities that are the subject of competitive sourcing must be performed domestically, for example facilities maintenance, repair, and construction. In addition, the restriction could violate international agreements that accord our trading partners non-discriminatory treatment in government procurement. These agreements generally provide for non-discriminatory treatment to suppliers of foreign entities—i.e., they provide flexibility for both foreign and domestic contractors to perform work where performance will make the contractor most competitive.

AIR TRAFFIC CONTROL MAINTENANCE STAFFING LEVELS

Senator MURRAY. Mr. Secretary, last Monday a Federal arbitrator ruled that the FAA has not met the minimum staffing levels needed for the agency's air traffic control maintenance functions based on the agreement that was reached in fiscal year 2000 between the FAA and the union that represents the maintenance technicians. The arbitrator ruled that the FAA must immediately take action to raise the total number of technical employees to a minimum staffing of 6,100. How was the FAA allowed to drop below the agreed upon minimum staffing level?

Secretary MINETA. I will have to get back to you for the record on that.

[The information follows:]

The Federal Aviation Administration believes that employees in operational control centers should be included in the air traffic control maintenance staffing level of 6,100.

NEED FOR FULL COMPLEMENT OF TECHNICIANS

Senator MURRAY. Given the funding cuts you are requesting for modernizing air traffic control equipment, would you not agree that it would be prudent to have a full complement of technicians on board to maintain and repair the FAA's aging air traffic control system?

Secretary MINETA. I will have to check on the labor negotiation with the technicians group, the Professional Airway System Specialist (PASS) union, and the budgetary amount.

[The information follows:]

The Professional Airways Systems Specialists (PASS) union disagrees with the Federal Aviation Administration's (FAA) position that employees in operational control centers should be included in the air traffic control maintenance staffing level. A Federal arbitrator ruled in favor of PASS, and the FAA has appealed the decision to the Federal Labor Relations Authority.

DECISION OF THE FEDERAL ARBITRATOR

Senator MURRAY. If you could do that, and if you could let us know how quickly you expect the FAA to comply with the decision of the Federal arbitrator as well.

Secretary MINETA. Right. I am not sure whether they are binding agreements or if there are any appeal provisions to that arbitrator. I will have to check on that as well.

[The information follows:]

The Federal Aviation Administration (FAA) had 30 days from the date of the Federal arbitrator's award (March 1, 2004) to file exceptions with the Federal Labor Relations Authority (FLRA). After reviewing the award, the FAA felt that the arbi-

trator exceeded his authority and abrogated management of its right to determine where employees would be assigned, a right that management chose not to waive according to the managers who were present in negotiations. The FAA's exceptions were filed on March 25, 2004, and we do not know how long the FLRA will take before rendering a decision. The FLRA will allow the Professional Airways Systems Specialists (PASS) union time to submit a response to the Agency exceptions and will then issue a decision. There is no statutory time frame in which the FLRA must issue a decision.

THIRD RUNWAY AT SEATAC INTERNATIONAL AIRPORT

Senator MURRAY. One last question. Mr. Secretary, a lot has been said about the need to streamline the environmental review process for highways, runways, and rail systems. Unfortunately, the poster child project for long delays that impact many projects is the third runway project at Seattle Tacoma International Airport.

As you know, we have been trying to complete construction of that third runway for more than 16 years. The added costs for complying with the environmental rules for the construction of that runway as well as the associated cost for delays have grown by over $200 million just in the last 4 years. As you can imagine, this has put an incredible amount of pressure on the ability of the airport authority to finance the completion of that project. Are you aware of that situation at Seattle Tacoma International Airport?

Secretary MINETA. I was just made aware of this $198.1 million request that SeaTac is making of FAA 2 days ago. This is the third request on the part of SeaTac. The original agreement for a letter of intent was in 1997 for, I believe, $198 million, or $190 million or so then. Then that was revised several years ago by an additional $55 million, $57 million. This is the third request for an increase in the letter of intent for the SeaTac Airport. We will have to take a look at what we are doing with that whole program.

[The information follows:]

In 1997, the FAA issued a Letter of Intent (LOI) to Seattle Tacoma International Airport (SeaTac) for construction of a third runway, committing $161.5 million in AIP funds over the period of fiscal year 1998–2010 towards the then estimated $587 million total project cost. This represented a 28 percent Federal share of the total cost; higher than recent projects of a similar scope (e.g., Atlanta and St. Louis were around 18–20 percent). The LOI was amended in 2000 to add $55 million in funds over the period fiscal year 2001–2010 to help offset unanticipated increases to the project cost, then estimated at $773 million. This raised the total LOI amount to $216.5 million, but kept the Federal share around 28 percent.

SeaTac has recently submitted an application for a second amendment to the LOI, this time for an additional $198.1 million over the period fiscal year 2005–2014. This would raise the LOI total to $414.6 million and the Federal share to 37 percent of the total project cost, now estimated at $1.1 billion.

The Federal Aviation Administration is still reviewing SeaTac's application. There is some concern about the high level of Federal funding—the precedent-setting Federal share of 37 percent that would result from this amendment, which is significantly higher than similar recent projects. While we support the SeaTac third runway project, and are sensitive to the environmental burdens which have caused some of the cost increase, we need to examine the application in detail before committing to a funding decision. As part of that examination the FAA is retaining the services of an outside financial consultant to review SeaTac's financial condition.

Senator MURRAY. I appreciate that. I am currently pursuing an amendment to the airport's existing Federal commitment to ensure that there is adequate financing to meet all of those new environmental costs. As you know, a lot of it has been because of Federal

environmental laws and I want to pursue that with you, and I would like to ask——

Secretary MINETA. I think that it is not only Federal environmental laws, but also local lawsuits that have been brought against——

Senator MURRAY. Under Federal environmental laws. That is why the lawsuits have been brought.

I just want to know from you, is DOT still committed to the completion of the third runway project and the economic benefits that it will bring to the Northwest region?

Secretary MINETA. I assume so. I assume that it still is.

Senator MURRAY. Would you be willing to sit down with myself, Marion Blakey and the appropriate airport officials to talk about this issue?

Secretary MINETA. Absolutely.

Senator MURRAY. I would appreciate that very much.

Secretary MINETA. Absolutely.

Senator MURRAY. Thank you.

Thank you, Mr. Chairman, and thank you for your indulgence.

ENVIRONMENTAL REVIEWS FOR ALASKAN HIGHWAY PROJECTS

Senator SHELBY. Senator Stevens, thank you for joining us.

STATEMENT OF SENATOR TED STEVENS

Senator STEVENS. Thank you very much. I am pleased to be here to be with young men who have brand new ideas. That is an inhouse story up here, Mr. Secretary. I am pleased to have a chance to come before you because there are some significant transportation problems in Alaska in which the process seems to be changed, and it becomes significant because the increased reviews are burdensome and sometimes unwarranted as far as our State is concerned. I am sure you know, we have a fairly small allowance for highway construction in Alaska, and to take more of it for the environmental review is becoming burdensome.

Let me just state this to you. The Federal Highway Administrator brought a training team to Alaska to assist in management and planning of environmental steps required in Title 23 of the Federal aid program. In addition, it relocated a third environmental review person in Juneau to help review the environmental documents prepared under the National Environmental Protection Act.

Apparently, this work has become rather than an assistance to get the job done quicker, it has added additional thresholds for the transportation projects. We previously used some categorical exclusions versus an environmental assessment (EA) and now we are getting into the environmental impact statement (EIS) on very small items.

For instance, an erosion control project on the Dalton Highway, that is the highway that goes north from Fairbanks to the North Slope, was slated for an EA. Last year it was processed as a categorical exclusion. It is a dirt highway. It has been there for years and it was an erosion control item that should have been handled just as routine maintenance as a matter of fact.

A bridge replacement of an existing bridge on the Alaska Highway—that is our only highway that goes out to the south 48—now requires a full EIS. This is a bridge that is critical to the gas pipeline that we are planning now, and I understand that the EIS on this bridge replacement will delay the project by 1 to 2 years. It could well add another year to two to the building of the pipeline.

There is a brush cutting project that was performed by Saga, that is an AmeriCorps nonprofit, who was told to seek an EA. That is the environmental assessment. These always have been the categorical exclusion type things, just brush cutting. We are entirely in favor of strict environmental protection, but when it comes to have an increase in the level of requirements that have to be achieved, the heightened review is causing delays, increasing costs, moving projects from one year to another because of the short construction season that we have in Alaska.

This is not associated only with the interior of Alaska. The Knik Arm Bridge project, the Juneau Access Road, the Gravina Road, all priority projects that are in the TEA21 reauthorization have now been indicated to have the highest level of environmental review to proceed.

I would like to see if you could explain why at this time we have—by the way, I think we have the highest level of unemployment per capita in the country. We have a declining economy because of the loss of our oil industry, our mining industry, our timber industry, the basic industries associated with the harvesting of timber. I cannot tell you—we have now got a series of projects that would have provided employment during this coming work season, hopefully, provide a slight bridge for many people over into the next year when some of these other things might be started up again.

But why can we not go back to the simple processes that were used for years in connection with these highway projects and not go up the ladder in terms of environmental protection unless there is a significant new perspective involved. All the things I am talking about are facilities in place that require improvement or maintenance.

Secretary MINETA. Mr. Chairman, I am not familiar enough with these projects to be able to respond, but let me get back to you in writing after talking to our Federal highway folks. I would think that if a new person has been dispatched to Juneau to deal with environmental reviews, it was done in the hope of speeding up the process. Let me find out why categorical exclusion for a maintenance project now requires an environmental assessment. I just do not know these projects or the process well enough to be able to respond.

[The information follows:]

The U.S. Department of Transportation is actively working to facilitate the environmental review processes in Alaska. For example, the Federal Highway Administration (FHWA) entered into an agreement with the Alaska Department of Transportation and Public Facilities (DOTPF) that allows many projects with minor environmental impacts to be processed as categorical exclusions without project-specific review by FHWA. Other projects do involve a FHWA review, but are determined to qualify as categorical exclusions. The net result is that the vast majority of Alaska DOTPF's projects are advanced as categorical exclusions. In a small number of cases, where the project facts do not support a categorical exclusion, FHWA will work with the Alaska DOTPF to prepare an environmental assessment (EA). In

those situations where environmental impacts are found to be significant, a full environmental impact statement is required by law.

With respect to the specific projects mentioned, the FHWA has reached an understanding with Alaska DOTPF that allows the projects to advance with the appropriate level of environmental review. For example, the brush cutting projects mentioned all qualify for a categorical exclusion under FHWA's agreement with the Alaska DOTPF. The Tanana River Bridge is being advanced with an environmental assessment because of potential impacts involving historic resources, native lands, hazardous wastes, and recreational lands. The Dalton Highway erosion control project was done with an environmental assessment, because the project involved extensive channelization of an environmentally important stream. The Alaska Division approved the EA for the Dalton project on April 7, 2004, and the Division expects to issue a Finding of No Significant Impact (FONSI) in the near future.

FHWA is fully committed to efficient environmental review processes in Alaska. To position itself for success, FHWA has recently worked with Alaska DOTPF to host a number of training and process improvement efforts. FHWA is confident that these efforts will lead to timely project approvals and environmental outcomes that fully respect Alaska's unique environmental resources.

Senator STEVENS. I would hope personally you would take the time to come up this summer and go see some of these.

Secretary MINETA. I will, yes, sir.

Senator STEVENS. In the last decade we have only had one court review of any environmental matter related to highways. We have been perfectly operating with total cooperation. Now it seems that because of the elevated requirement in each instance, we are building towards more and more court review. Since these are routine projects, brush cutting, bridge replacement, erosion control, I just do not quite understand it. So I would hope that you would take the time this summer sometime and come up and we will get a small plane and go out and look at some of these.

Secretary MINETA. I would be more than happy to accept that invitation.

Senator STEVENS. Thank you. I shall give you some appropriate dates.

Secretary MINETA. Great.

SHORT SEA SHIPPING

Senator SHELBY. Thank you, Chairman Stevens.

Mr. Secretary, the Maritime Administration is considering exploring the potential for short sea freight shipping to assist in reducing highway congestion. Can you tell us more about this proposal?

Secretary MINETA. The goal of short sea shipping is to utilize our ports and inland waterways. There are two factors that are driving this. One is that ships are getting larger with more containers onboard, and our own ports are unable to handle these larger container ships. When the larger ships come in, you can take the containers, put them on barges and lighters and then move the containers from Boston to New York to Baltimore to Savannah, or wherever their transshipment points might be. This can provide some relief to the traffic that is already on the highways, especially along the Eastern I–95 seaboard.

Senator SHELBY. What about the Tennessee-Tombigbee down in the southeast?

Secretary MINETA. That is an inland waterway. We would look at inland waterways as part of this whole effort.

FEDERAL TRANSIT ADMINISTRATION REORGANIZATION

Senator SHELBY. Although FTA's senior management contends that its reorganization proposal is preliminary, the subcommittee has evidence that could lead a reasonable person to conclude that the plans have been finalized, Mr. Secretary, without your approval or Congressional approval. For example, we have information regarding staffing decisions, implementation schedules, and even office farewell parties. Not for you, of course.

I would like to work with you, I think the committee would, to ensure that FTA follows internal Departmental guidelines and the requirements expressed in the appropriations act. Are you willing to do that?

Secretary MINETA. Absolutely. There are situations where we have to ask what comes first? We have to abide by OPM regulations and by OMB regulations. The first body we have to look at related to reorganization is OPM.

There are a lot of things that need to be started in a preliminary way. None of these are set in concrete because we have to come to you for reprogramming requests. The requests have to clear our own internal channels within the Department and with OMB as well. In terms of my own reorganization of the Department, there are a number of things going on related to hazmat and to other parts of our Department.

So, yes, word gets out about intended organizational changes, but they are not carved in stone yet. We have to make sure that we are in compliance with what OPM says and OMB says. But we will definitely work with you, and we know that we have to do that. It is not a question of having to do it, we want to do it.

ADDITIONAL COMMITTEE QUESTIONS

Senator SHELBY. Thank you.

Senator Murray, do you have any other questions?

Senator MURRAY. No.

[The following questions were not asked at the hearing, but were submitted to the Department for response subsequent to the hearing:]

QUESTIONS SUBMITTED BY SENATOR RICHARD C. SHELBY

NATCA: PAY FOR PERFORMANCE

Question. Secretary Mineta, you stated earlier in testimony before the subcommittee that there are problems with NATCA units in delivering pay for performance. Please provide the Department's assessment of the problems that you alluded to in your testimony.

Answer. As we stated, the impasse was submitted to Congress. The statutory 60-day timeframe for Congress to act on the impasse has passed, so the FAA is now proceeding to implement its pay plan in the remaining NATCA bargaining units. The FAA is currently considering what its next steps are in this regard.

FTA ADMINISTRATIVE EXPENSES

Question. Please break out in detail the reasons for the administrative cost increases at the FTA.

Answer. The $4.8 million dollar increase in FTA's administrative expenses is necessary to carry out its mission. Funds will be used to strategically manage human resources, competitively outsource commercial functions, expand electronic government, improve financial management, and integrate budget and performance, as outlined in the President's Management Agenda. In doing so, FTA will enable the

long-term management of its workforce and fosters a citizen-centered, results-based government that is well organized, flexible, and will improve in performance.

Additional administrative expenses are needed as follows:

—An increase of $1.5 million is necessary to cover the annualized fiscal year 2004 pay raise and the annualized January 2005 pay raise, health benefits increase, and mandatory within grade increases.

—An increase of $1.02 million is needed to support ten additional FTEs. These resources are needed to comply with the expanded technical assistance requirements of projects in the planning process, implement statutory requirements for New Starts projects, meet the requirements of major program initiatives, and coordinate projects and reviews with other agencies, States and local project sponsors.

—An increase of $0.2 million is required due to the inability of the General Services Administration and the owner of the Headquarters' Nassif building to negotiate a new lease agreement at fair market value.

—An increase of $0.5 million is needed to cover inflation and increased service costs, which increases are in line with the OMB deflator for non-pay activities. Failure to fund inflation results in the agency's inability to pay the full cost of essential non-pay activities.

—An increase of $1.1 million is needed to continue improving our information technology infrastructure, which includes: application security and accreditation of information technology systems; an increase in the Transportation Award and Management System to facilitate grant processing and contract approval; and ensuring that the Information Technology infrastructure works with emerging technologies to support cost accounting and core accountabilities.

—An additional $0.5 million is needed to support workforce planning and training to ensure that there is available staff of the appropriate skill mix to carryout program development and oversight responsibilities.

MOTOR FUEL TAX EVASION

Question. Mr. Secretary, what suggestions do you have for getting the IRS to improve its efforts to reduce the estimated $1 billion in fuel tax evasion that occurs each year? Please provide for the record any correspondence from DOT to the Department of the Treasury about the importance of this issue.

Answer. The Department has proposed the authorization of $54.5 million for fiscal year 2005 to address motor fuel tax evasion. Of this amount, State enforcement agencies would share $4.5 million to enhance programs at the State level including but not limited to motor fuel tax audits and examinations, dyed fuel sampling, and training. Two million dollars would be set aside for intergovernmental enforcement efforts including specific projects coordinated with Federal and State agencies that are not traditionally involved in motor fuel tax enforcement as well as those that have been involved in the past, but currently may not be working on the issue.

The Internal Revenue Service (IRS) would receive the remaining $48 million. Of that amount, $4.5 million would be provided for the operation and maintenance of the automated fuel tracking system mandated by the Transportation Equity Act for the 21st Century. Forty-four million dollars would be used by the IRS to begin development, operation, and maintenance of a registration system for pipelines, vessels, and barges and their operators, that make bulk transfers of taxable fuels, including developing a decal/transponder to be used to display proof of payment. It would also be used to establish, operate and maintain an electronic database of heavy vehicle highway use tax payments; and for additional enforcement efforts including audits, examinations and criminal investigations.

The automated fuel tracking system provides an important tool to the IRS and the States for monitoring fuel tax compliance. The additional requirement of electronic reporting will allow the IRS to have more complete information on the movement of fuel into and out of terminals thus assisting IRS and State enforcement efforts.

The proposal to give the IRS significantly more funding than in the past comes with additional accountability. The IRS would be required to submit reports on progress made in the development of any new automated systems, criminal investigations, audits and examinations. Also, the Federal Highway Administration (FHWA) will be more involved in the development of any work plans related to new program requirements and in the oversight of such projects.

The expanded resources that will be available to the IRS for improved database systems and greater enforcement efforts will allow the agency more flexibility in its role as enforcer. The combined efforts of the IRS and the States resulting from the

significant increase in funding will provide an opportunity to reduce motor fuel tax evasion.

Interaction between the FHWA and the IRS most often takes place over the telephone or through face-to-face meetings. A memorandum of understanding between the FHWA and the IRS was signed to provide for the development of the automated fuel tracking system mandated in the TEA21. A scanned copy is provided.

REVISED MEMORANDUM OF UNDERSTANDING
BETWEEN THE
U.S. DEPARTMENT OF TRANSPORTATION (DOT) AND
THE INTERNAL REVENUE SERVICE (IRS)

OBJECTIVE: The objective of this revised Memorandum of Understanding (MOU) is to show changes to Section II, Item C as agreed upon by the U.S. Department of Transportation (DOT) and the Internal Revenue Service (IRS) for State funding under the provisions of Public Law 105-178, the Transportation Equity Act for the 21st Century (TEA-21), as amended, as they relate to highway use tax evasion projects.

GENERAL: On June 9, 1998, the President signed Public Law 105-178, authorizing highway, highway safety, transit, and other surface transportation programs for the next 6 years. TEA-21, as amended, builds on the initiatives established in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA), and combines the continuation and improvement of current programs with new initiatives to meet America's needs through efficient and flexible transportation. A key part of funding these highway improvements is the collection of Federal and State revenues used for this purpose.

Recognizing the need to ensure compliance for revenue collection, TEA-21 provides that the Secretary of Transportation, here and after referred to as the Secretary, shall carry out highway use tax evasion projects in accordance with the provisions of Section 1114 of TEA-21 which amends section 143 of title 23 of the United States Code (U.S.C.). Further, that the funds made available to carry out Section 1114, may be allocated to the IRS and the States, and that the Secretary shall not impose any condition on the use of funds allocated to the IRS under this subsection.

However, Title 23, U.S.C. Section 143 (b)(4), as amended, limits the use of funds, provides for the establishment and operation of an automated fuel reporting system, provides for a funding priority and a memorandum of understanding between the Secretary and IRS for the purposes of the development and maintenance by the IRS of an excise fuel reporting system.

The DOT and the IRS agree that:

I. LIMITATION ON USE OF FUNDS

Funds made available to carry out highway use tax evasion projects shall be used only:

(A) to expand efforts to enhance motor fuel tax enforcement;
(B) to fund additional IRS staff, but only to carry out functions described in this paragraph;

(C) to supplement motor fuel tax examinations and criminal investigations;
(D) to develop automated data processing tools to monitor motor fuel production and sales;
(E) to evaluate and implement registration and reporting requirements for motor fuel taxpayers;
(F) to reimburse State expenses that supplement existing fuel tax compliance efforts; and
(G) to analyze and implement programs to reduce tax evasion associated with other highway use taxes.

II. AUTOMATED EXCISE FUEL REPORTING SYSTEM, (the system) a.k.a. Excise Fuel Information Reporting System (ExFIRS)

(A) The IRS shall develop and maintain the system through contracts;

(1) The IRS believes that a participative process with all stakeholders is the best method to use in the design and development of ExFIRS. By October 10, 1998, the IRS will form a workgroup with participants representing industry, States, the Federal Highway Administration (FHWA), and the IRS. The workgroup will be headed by the IRS Director, Excise Taxes and will develop an implementation plan to provide for a basic automated excise fuel reporting system, and for enhancements that will best serve the stakeholders, including industry, the States, the FHWA, other government agencies, the IRS, etc.
(2) Workgroup members will determine the system needs and assist the IRS in assembling an implementation plan for use in contracting;
(3) The IRS will use the most expeditious method to obtain qualified contractors to complete the project.
(4) The implementation plan will be a living document. The plan will be monitored by the workgroup on an ongoing basis with revisions to the content, scope, and timing, as needed.

(B) The system shall be under the control of the IRS;

(C) to allow for a transition of funding for the States, the IRS projects that the following funding can be made available to the States for motor fuel compliance projects.

FY99 -	$2,175,000.
FY00 -	$ 652,000.
FY01 -	$ 521,000.
FY02 -	$ 391,000.
FY03 -	$ 261,000.
Total -	$ 4,000,000.

(D) The system shall be made available for use by appropriate State and Federal revenue, tax, and law enforcement authorities, subject to section 6103 of the Internal Revenue Code of 1986.

III. FUNDING AVAILABILITY AND PRIORITY

(A) The Secretary shall, by Reimbursable Agreement, provide available funding to the IRS for the automated fuel reporting and for highway use tax evasion projects as described in TEA-21, as amended.

(B) The Secretary shall make available sufficient funds for each of Fiscal Years 1998 through 2003 to the IRS to establish and operate an automated fuel reporting system as its first priority.

IV. OVERSIGHT

The FHWA Director, Office of Transportation Policy Studies and the IRS Director, Specialty Taxes will review the development and implementation of highway use tax evasion project activity.

Kenneth R. Wykle 1-7-00
Kenneth R. Wykle Date
Administrator
Federal Highway Administration

Charles O. Rossotti
Charles O. Rossotti Date
Commissioner
Internal Revenue Service

OVERSIGHT OF MEGA-PROJECTS

Question. In your earlier testimony you indicated that project managers will provide improved oversight of mega-projects. What estimated cost savings can the committee expect to see in these types of projects? What type of review occurs prior to awarding a contract to determine if the contractor has actually underbid the true costs? Should more oversight occur in this area? What results could we expect to see?

Answer. The Federal Highway Administration (FHWA) is assigning a designated Project Oversight Manager to each active major project, dedicated full-time to that specific major project. The Oversight Manager may draw upon resources from within his/her Division Office in order to form an integrated project team that is responsible for providing proper Federal stewardship and oversight of the major project. The Project Oversight Manager is responsible for the overall administration and operation of the Project from a Federal stewardship/oversight perspective. He/she maintains an ongoing review process to ensure that proper oversight and controls are in place and functioning including cost containment and financial management. While the cost savings are difficult to quantify, having an FHWA official on-site has resulted in efficiencies in project management. In addition, the FHWA's independent review of the costs and schedules via finance plans and annual updates have contributed to efficiencies in cost and schedule control.

Title 23, Code of Federal Regulations (CFR), part 635, section 114(a) requires design-bid-build Federal-aid contracts to be awarded only on the basis of the lowest responsive bid submitted by a bidder meeting the criteria of responsibility. This requirement applies to all Federal-aid projects, including major projects. For Federal-aid projects that are determined to be "State-approved projects", the State Transportation Agency (STA) may act for the FHWA in the bid analysis and award process, but must follow the justification and documentation procedures of 23 CFR 635.114(b–j) by documenting the project files. STAs may follow their own justification and documentation procedures for non-NHS projects.

Bid analysis is the basis for justifying contract award or rejection of the bids. The bid analysis process, pursuant to 23 CFR 635.114(c), is an examination of the unit bid prices for reasonable conformance with the engineer's estimated prices and other factors beyond the comparison of prices. A proper bid analysis helps to ensure that funds are being used in the most effective manner. The FHWA's review of the bids should parallel the STA's review. Together, both agencies should be assured that good competition and the lowest possible price were received. The FHWA's concurrence in award is a step in the obligation and expenditure of Federal funds and is the authorization to proceed with construction.

The current oversight of the bidding process is adequate. Division Offices are actively involved with the processes of the State DOTs to assure that 23 CFR requirements are met. In addition, the concurrence in award process serves as an additional check and is only provided after receipt and review of the tabulation of bids. This applies to all Federal-aid oversight projects, including major projects. Division Offices also conduct process reviews of the bidding process when appropriate.

The oversight provided by the Major Project Oversight Manager model has been successful and has provided for adequate oversight. However, the Agency is constantly striving to provide the employees in these positions the tools to enhance their abilities to improve their oversight. For instance, in the upcoming year, the Agency will be providing multidisciplinary training in several core competency areas: project management, financial management, cost estimating, communications, and leadership. In addition, the FHWA Contract Administration Course contains modules which address the bidding process.

By continuing to improve the core competencies of the Major Project Oversight Managers, the Agency can expect to see a cadre of FHWA managers who are able to provide more of a collaborative leadership role to major projects. In this role, the Managers will work together with the entire project delivery team to deliver major projects that maintain the public's trust and confidence in our ability to deliver the Federal-aid Highway Program. The additional training provided about the bidding process to both Federal and State employees via the Contract Administration Course results in an awareness of the bidding process requirements and sound procedures that optimize process efficiencies and limits opportunities for legal challenges and fraud.

For the Federal Transit Administration (FTA) and the oversight of mega-projects, future projects will be tightly managed to ensure the project cost will not exceed 5 percent of the baseline project cost. A project recovery plan will be required when the projected baseline cost is going to exceed more than 5 percent. To determine whether a contractor may have underbid the cost, a bid analysis will continue to

be performed prior to awarding the contract. FTA will continue to review the grantee's bid analysis to ensure project cost control. Increased oversight reviews will result in more successful projects such as the New Orleans Canal Streetcar Line, Dallas North Central LRT and Interstate Max LRT in Portland.

As for the Federal Aviation Administration (FAA), they too have a process to review the costs of major airport improvement projects and continue to perform significant oversight functions. All Airport Improvement Program grantees must perform an analysis of cost or price for all procurement actions, including contract modifications.

FULL FUNDING GRANT AGREEMENT COMMITMENT AUTHORITY

Question. Earlier in the hearing, Mr. Secretary, you were asked how FTA would chose from among projects that it has proposed to enter into full funding contracts during fiscal year 2005 without sufficient commitment authority to cover all of the projects. Please explain this for the record. What methodology would be used?

Answer. There is sufficient commitment authority to cover all of the projects recommended for Section 5309 New Starts funding in the President's Budget for fiscal year 2005 and the Annual Report on New Starts: Proposed Allocations of Funds for fiscal year 2005 (the current "Annual New Starts Report"). Year by year, in each Presidential Budget and Annual New Starts Report for the coming fiscal year, the Department and FTA make recommendations for New Starts funding only insofar as there is sufficient commitment authority available to cover those recommendations—the Department and FTA never exceed the amount of available commitment authority.

In any given year, the selection of projects for proposed Full Funding Grant Agreements is based on: (1) the relative merits of the projects under consideration, and (2) the "readiness" of each project under consideration to begin construction. Specifically, the relative merits of each project are determined through FTA's application of both the project justification and local financial commitment criteria established by 49 U.S.C. § 5309(e) and fleshed out by the regulations at 49 C.F.R. Part 611. The "readiness" of each project is a judgment of the reliability of the cost, budget, and schedule for that project, in light of a number of factors, including the grantee's demonstration of its technical capacity to build and operate the project, its execution of all principal third-party agreements relevant to the project, an assessment of the risks inherent in the project that could affect cost and schedule, and the level of engineering and final design that has been completed.

MOTOR CARRIER SAFETY AUDITS

Question. Given the high passage rate of FMCSA safety audits, some critics charge that the FMCSA safety audit procedure has become more of an outreach and education campaign than a safety assurance mechanism. Please explain why the administration of the Safety Audit process of the New Entrant program by FMCSA is an optimal use of the resources allocated to ensuring that unqualified carriers are kept off the roads.

Answer. Data shows that new entrants are identified as at-risk carriers. The program was originally designed as an outreach and education effort. FMCSA is retooling the program to give it a greater enforcement focus. The concept is to engage carriers at the beginning of operations so there is not as a great a need to perform compliance reviews, a more optimal use of Agency resources. FMCSA will work to tie new entrant audits and compliance reviews together as the programs advance.

FMCSA is developing a rulemaking proposal that would strengthen the pass/fail criteria for the new entrant program. The rulemaking enhancements will identify carriers without basic safety management controls. As a result of our proposed changes, FMCSA anticipates a significant increase in the number of enforcement actions taken against new entrant carriers.

MOTOR CARRIER COMPLIANCE REVIEWS

Question. As FMCSA has increased the number of new entrant safety audits, the number of compliance reviews it undertakes has dropped significantly. Why has the number of compliance reviews dropped so sharply in recent months? Is the level of funding that is requested in fiscal year 2005 sufficient to meet the goals of the agency? Do you believe that a safety audit can substitute for a compliance review? Do you intend to increase the number of compliance reviews in the remainder of fiscal year 2004 and fiscal year 2005?

Answer. The number of compliance reviews has dropped significantly due primarily to the focus on Safety Security Visits as a result of September 11, 2001, and the implementation of the new entrant program. Prior to the program's implementa-

tion, FMCSA conducted approximately 12,000 compliance reviews per year. Currently, the Agency conducts approximately 8,000 per calendar year. In fiscal year 2004, more States will begin to conduct safety audits. However, FMCSA does not expect to realize fully the benefit of State participation until fiscal year 2005.

The new entrant audit was originally designed as an educational tool for carriers beginning interstate operations rather than a substitute for the compliance review program. A compliance review may be conducted on new entrants during the safety monitoring period if their performance warrants such a review. To meet the Motor Carrier Safety Improvement Act's statutory requirement to conduct these new entrant safety audits, FMCSA diverted resources from the conduct of compliance reviews to the conduct of 40,000–50,000 new entrant audits annually. As a result, FMCSA expects to conduct approximately 7,500 compliance reviews in fiscal year 2004, which is 500 lower than FMCSA's goal of completing 8,000 compliance reviews in fiscal year 2004. However, FMCSA expects to meet its target of 8,000 compliance reviews in fiscal year 2005.

INTELLIGENT TRANSPORTATION SYSTEMS ADVISORY COMMITTEE

Question. The Department disbanded the Intelligent Transportation Systems (ITS) Advisory Committee more than a year ago. Do you plan to appoint new members to the ITS Advisory Board or is this body no longer necessary?

Answer. Two years ago, the Department of Transportation's (DOT) leadership undertook an internal review of the future direction of the ITS program. A key decision resulting from that examination was to establish a Federal Advisory Committee to the DOT for ITS. From the ITS program's inception a dozen years ago until June 2003, ITS America had served in this advisory capacity and was well positioned to bring government and industry together in development of the ITS program. As the ITS industry and the DOT's ITS program matured, DOT leadership concluded that the time was right to consider a new Advisory Committee. This tested method of consultation with the public serves the Department well across other modes of transportation, and the ITS Advisory Committee would give the Department a new and valuable consultative asset. A new DOT Advisory Committee is being considered under the Federal Advisory Committee Act. Organizations and individuals with resources and expertise to offer meaningful advice would be invited to serve.

SHIP DISPOSAL

Question. How many obsolete vessels from the National Defense Reserve Fleet will be disposed of with the funds provided in fiscal year 2004?

Answer. The Maritime Administration (MARAD) has removed 13 ships so far in fiscal year 2004, resulting from contracts awarded with fiscal year 2003 funding. MARAD anticipates awards, utilizing funds provided in fiscal year 2004, to result in the disposal of an additional 12 obsolete ships from the NDRF.

Question. How many ships does MARAD plan to dispose of in fiscal year 2005 if the requested amount is provided?

Answer. MARAD plans to dispose of approximately 15 vessels from the National Defense Reserve Fleet.

Question. What is MARAD's plan for meeting the 2006 deadline to dispose of all of the obsolete fleet?

Answer. While the Congressionally mandated September 30, 2006 deadline was for the removal of all vessels, a more achievable goal is to remove all vessels that have a high or moderate risk by 2006. To reach that goal, MARAD plans to eliminate the backlog of vessels that accumulated in the 1990's; remove all "high" and "moderate" priority ships (approximately 65 ships) at a rate of 20–24 ships per year; and maintain only "low" priority ships at the fleet sites. MARAD's annual target is to maintain no more than 40–60 low priority vessels at all three fleet sites. With the projected designation of 45 ships as obsolete over the next 3–5 years, an annual disposal rate of 20–24 ships will have to be maintained for 3–4 years beyond 2006, to achieve and maintain an obsolete vessel fleet size at a maximum range of 40–60 ships.

In addition to maintaining only "low" priority obsolete ships at the fleets, further mitigation of environmental risks will be achieved by continuing to use the established protocol for the acceptance of vessels into the National Defense Reserve Fleet and the practices used when downgrading vessels to non-retention status. This includes accomplishment of material condition and liquid load surveys, removal of readily removable hazardous materials, preliminary residual hazardous material characterization, and defueling of vessels to the maximum extent. In addition, as newer vessels (built after 1980) are downgraded to non-retention status and enter the fleets, a decline in the quantities of hazmats, such as, PCBs will be evident.

While MARAD will continue to pursue all disposal options to ensure the best value disposal decisions, having foreign recycling as a viable disposal option in 2004–2006 and beyond will help MARAD achieve the annual goal of reducing the inventory by 20–24 vessels.

MARITIME GUARANTEED LOANS (TITLE XI)

Question. Public Law 108–11 prohibited the obligation of funds under the Title XI program until the Inspector General (IG) certifies that MARAD has adopted and implemented the recommendations of No. CR–2003–031 to his satisfaction. What is the status of the implementation of these recommendations?

Answer. MARAD and the Office of the Inspector General have been working closely to adopt and implement the recommendations contained in the report. A formal IG report providing the certification is expected in June 2004.

PRESIDENTIAL AND POLITICAL APPOINTEES

Question. Please provide the number of presidential and political appointees currently on board at the Department and break out by operating administration and office of the Office of the Secretary as well as by title and grade.

Answer. The information follows.

PRESIDENTIAL, SENIOR EXECUTIVE SERVICE NON-CAREER, AND SCHEDULE C APPOINTEES AS OF MAY 4, 2004

Title	Grade
OFFICE OF THE SECRETARY	
Presidential Appointee—Immediate Office of the Secretary:	
Secretary	EX–I
Non-career SES—Immediate Office of the Secretary:	
Chief of Staff	ES–00
Assistant to the Secretary for Policy	ES–00
Assistant to the Secretary for Policy	ES–00
Deputy Chief of Staff	ES–00
Schedule C—Immediate Office of the Secretary:	
White House Liaison	GS–15
Assistant to the Secretary for Policy	GS–15
Assistant to the Secretary for Policy	GS–14
Special Assistant to the Secretary and Deputy Director for Scheduling and Advance	GS–14
Director for Scheduling and Advance	GS–15
Special Assistant for Scheduling and Advance	GS–13
Scheduling and Advance Assistant	GS–7
Limited Term SES—Office of the Deputy Secretary:	
Acting Deputy Secretary/Counselor to the Secretary	ES–00
Schedule C—Office of the Deputy Secretary:	
Counselor to the Deputy Secretary	GS–15
Presidential Appointee—Office of the Under Secretary of Transportation for Policy:	
Under Secretary	EX–II
Non-career SES—Office of the Under Secretary of Transportation for Policy:	
Counselor to the Under Secretary	ES–00
Schedule C—Office of the Under Secretary of Transportation for Policy:	
Executive Assistant to the Under Secretary	GS–12
Non-career SES—Executive Secretariat:	
Director	ES–00
Non-career SES—Office of Civil Rights:	
Director	ES–00
Non-career SES—Office of Small & Disadvantaged Business Utilization:	
Director	ES–00
Non-career SES—Office of the Chief Information Officer:	
Chief Information Officer	ES–00
Non-career SES—Office of Public Affairs:	
Assistant to the Secretary and Director of Public Affairs	ES–00
Schedule C—Office of Public Affairs:	
Deputy Director of Public Affairs	GS–15
Deputy Director of Communications	GS–15
Associate Director for Speechwriting	GS–15
Speechwriter	GS–15

PRESIDENTIAL, SENIOR EXECUTIVE SERVICE NON-CAREER, AND SCHEDULE C APPOINTEES AS OF MAY 4, 2004—Continued

Title	Grade
Speechwriter	GS–14
Special Assistant to the Director	GS–14
Special Assistant for Public Affairs	GS–10
Presidential Appointee—Assistant Secretary for Budget and Programs:	
Assistant Secretary & CFO	EX–IV
Non-career SES—Office of the Assistant Secretary for Budget and Programs:	
Deputy Assistant Secretary for Management and Budget	ES–00
Presidential Appointee—Office of the General Counsel:	
General Counsel	EX–IV
Presidential Appointee—Office of the Assistant Secretary for Transportation Policy:	
Assistant Secretary	EX–IV
Non-career SES—Office of the Assistant Secretary for Transportation Policy:	
Deputy Assistant Secretary	ES–00
Schedule C—Office of the Assistant Secretary for Transportation Policy:	
Special Assistant to the Assistant Secretary	GS–12
Presidential Appointee—Office of the Assistant Secretary for Aviation and International Affairs:	
Assistant Secretary	EX–IV
Non-career SES—Office of the Assistant Secretary for Aviation and International Affairs:	
Deputy Assistant Secretary	ES–00
Schedule C—Office of the Assistant Secretary for Aviation and International Affairs:	
Special Assistant	GS–15
Presidential Appointee—Office of the Assistant Secretary for Governmental Affairs:	
Assistant Secretary	EX–IV
Non-career SES—Office of the Assistant Secretary for Governmental Affairs:	
Deputy Assistant Secretary	ES–00
Schedule C—Office of the Assistant Secretary for Governmental Affairs:	
Special Assistant to the Assistant Secretary	GS–15
Associate Director for Governmental Affairs	GS–14
Associate Director for Governmental Affairs	GS–13
Associate Director for Governmental Affairs	GS–13
Associate Director for Governmental Affairs	GS–13
Associate Director for Intergovernmental Affairs	GS–14
OFFICE OF INSPECTOR GENERAL	
Presidential Appointee:	
Inspector General	EX–IV
FEDERAL AVIATION ADMINISTRATION	
Presidential Appointee:	
Administrator	EX–II
Deputy Administrator	EX–IV
Non-career SES:	
Chief Counsel	FJ–4
Associate Administrator for Airports	FJ–4
Assistant Administrator for International Aviation	FJ–4
Assistant Administrator for Aviation Policy, Planning & Environment	FJ–4
Assistant Administrator for Government & Industry Affairs	FJ–4
Assistant Administrator for Public Affairs	FJ–4
Schedule C:	
Special Assistant to the Deputy Administrator	GG–15
FEDERAL HIGHWAY ADMINISTRATION	
Presidential Appointee:	
Administrator	EX–II
Non-career SES:	
Deputy Administrator	ES–00
Chief Counsel	ES–00
Associate Administrator for Public Affairs	ES–00
Associate Administrator for Policy	ES–00
Schedule C:	
Special Assistant to the Administrator	GS–15
Special Assistant	GS–14
Special Assistant to the Policy Director	GS–14

PRESIDENTIAL, SENIOR EXECUTIVE SERVICE NON-CAREER, AND SCHEDULE C APPOINTEES AS OF MAY 4, 2004—Continued

Title	Grade
Special Assistant to the Chief Counsel	GS–13
FEDERAL RAILROAD ADMINISTRATION	
Presidential Appointee:	
Administrator	EX–III
Non-career SES:	
Deputy Administrator	ES–00
Schedule C:	
Director of Public Affairs	GS–13
NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION	
Presidential Appointee:	
Administrator	EX–III
Non-career SES:	
Deputy Administrator	ES–00
Chief Counsel	ES–00
Associate Administrator for External Affairs	ES–00
Schedule C:	
Special Assistant	GS–15
FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION	
Presidential Appointee:	
Administrator	EX–III
Non-career SES:	
Deputy Administrator	ES–00
Chief Counsel	ES–00
Schedule C:	
Director, Office of Communications & Senior Policy Advisor	GS–15
Special Assistant to the Administrator for Intergovernmental Affairs	GS–14
FEDERAL TRANSIT ADMINISTRATION	
Presidential Appointee:	
Administrator	EX–III
Non-career SES:	
Deputy Administrator	ES–00
Chief Counsel	ES–00
Schedule C:	
Staff Assistant	GS–10
RESEARCH AND SPECIAL PROGRAMS ADMINISTRATION	
Non-career SES:	
Deputy Administrator	ES–00
Schedule C:	
Director of Policy and Program Support	GS–15
SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION	
Presidential Appointee:	
Administrator	EX–IV
SURFACE TRANSPORTATION BOARD	
Presidential Appointee:	
Chairman	EX–III
MARITIME ADMINISTRATION	
Presidential Appointee:	
Administrator	EX–III
Non-career SES:	
Deputy Administrator	ES–00
Chief Counsel	ES–00
Schedule C:	
Director, Office of Congressional and Public Affairs	GS–15
Special Assistant to the Administrator	GS–14

Question. Please provide by operating administration or office of the Office of the Secretary the number of vacant presidential and political positions and the grade and 2005 salary for each position.

Answer. The information follows.

VACANT PRESIDENTIAL AND POLITICAL POSITIONS—AS OF MAY 04, 2004

Title	Grade	Salary
Office of the Secretary:		
Deputy Secretary	EX–II	$158,100
Special Assistant for Scheduling and Advance	GS–7	34,184
Director of Drug Enforcement and Program Compliance	GS–15	100,231
Deputy Assistant Secretary for Governmental Affairs	ES–0	125,264
Associate Director for Governmental Affairs	GS–14	96,572
Federal Aviation Administration:		
Deputy Assistant Administrator for Government and Industry Affairs	GS–15	110,256
Maritime Administration:		
Senior Policy Advisor	GS–15	113,597
National Highway Traffic Safety Administration:		
Director, Office of Public and Consumer Affairs	GS–15	113,597
Director of Intergovernmental and Congressional Affairs	GS–15	113,597
Federal Transit Administration:		
Associate Administrator for Communications and Legislative Affairs	ES–0	137,000
Research and Special Programs Administration:		
Administrator	EX–III	145,600
Special Assistant	GS–12	68,722
Director of Public Affairs	GS–15	113,597
Bureau of Transportation Statistics:		
Director	EX–V	128,200
Surface Transportation Board:		
Board Member	EX–IV	136,900
Board Member	EX–IV	136,900

NOTES.—The PAS salaries are based on the statutory pay level. The SES salaries are based on the middle of the new senior executive pay range, or a salary determined for the proposed incumbent. The GS salaries are based on the middle of the range (step 5) for each grade (as previously encumbered), or as proposed.

Question. How many new political positions are requested for fiscal year 2005?

Answer. There are 10 new political positions being requested for fiscal year 2005.

Question. Please display by office of the Office of the Secretary or operating administration, each new political position and its grade and salary.

Answer. The information follows.

Title	Grade	Salary
Office of the Secretary:		
Special Counsel	GS–15	$113,597
Special Assistant (to the A/S for Trans. Policy)	GS–15	113,597
Special Assistant (to the A/S for Aviation & International Affairs	GS–14	96,572
Security Liaison	GS–15	113,597
Special Assistant for Information Technology Security	GS–15	113,597
Federal Railroad Administration:		
Deputy Administrator	ES–0	125,264
Special Assistant	GS–15	113,597
Federal Transit Administration:		
Special Assistant for Intergovernmental Affairs	GS–15	113,597
Federal Motor Carrier Safety Administration		
Special Assistant	GS–12	68,722
Research and Special Programs Administration:		
Special Assistant	GS–12	68,722

The SES position salaries are estimated at the middle of the new senior executive pay range, or based on a salary determined for the proposed incumbent.

The GS salaries are estimated at the middle of the range (step 5) for each grade proposed.

Question. Please provide a timetable for filling vacant political positions up to the statutory cap.

Answer. The information follows.

VACANT POLITICAL POSITIONS—AS OF MAY 04, 2004

Title	Grade	Salary	Incumbent Status
Office of the Secretary:			
Deputy Secretary	EX–II	$158,100	Pending Senate Confirmation Candidate to come aboard—6/13/04
Special Assistant for Scheduling and Advance	GS–15	100,231	Candidate to come aboard—6/13/04
Director of Drug Enforcement and Program Compliance	ES–00	125,264	Interviewing—candidate to come aboard
Associate Director for Governmental Affairs	GS–14	96,572	Interviewing
Federal Aviation Administration:			
Deputy Assistant Administrator for Government and Industry Affairs.	GS–15	110,256	Candidate to come on Board—6/13/04
Maritime Administration:			
Senior Policy Advisor	GS–15	113,597	Interviewing
National Highway Traffic Safety Administration:			
Director, Office of Public and Consumer Affairs	GS–15	113,597	Interviewing
Director of Intergovernmental and Congressional Affairs	....	....	
Federal Transit Administration:			
Associate Administrator for Communications and Legislative Affairs.	ES–0	137,000	Candidate to come aboard—6/1/04
Research and Special Programs Administration:			
Administration	EX–III	145,600	Interviewing
Special Assistant	GS–12	68,722	Interviewing
Director of Public Affairs	GS–15	113,597	Interviewing
Bureau of Transportation Statistics:			
Director	EX–V	128,200	Interviewing
Surface Transportation Board:			
Board Member	EX–IV	136,900	Pending Senate Confirmation
Board Member	EX–IV	136,900	Pending Senate Confirmation

Question. Please provide a table that compares the number of political appointees by agency or by office of the Office of the Secretary over the last 5 years.

Answer. The information follows.

Operating Administration	Fiscal Year				
	2000	2001	2002	2003	2004 As of 5/4/04
Secretarial Offices	25	20	29	25	25
Budget and Programs	3	1	1	0	2
General Counsel	0	1	1	1	1
Governmental Affairs	9	7	9	8	8
Administration	1	0	0	0	0
Transportation Policy	6	1	3	3	3
Federal Aviation Administration	5	4	7	9	9
Federal Highway Administration	5	1	9	7	9
National Highway Traffic Safety Administration	7	2	7	5	5
Federal Railroad Administration	4	2	3	2	3
Federal Transit Administration	3	2	5	5	4
Saint Lawrence Seaway Development Corp	1	1	1	1	1
Research and Special Programs Administration	4	2	3	3	2
Office of the Inspector General	1	1	1	1	1
Bureau of Transportation Statistics	1	1	1	0	0
Surface Transportation Board	3	3	2	1	1
Maritime Administration	5	1	5	5	5
TOTAL	85	51	90	82	87

OST STAFFING

Question. Please provide a table that compares the estimated average grade for each office of the Office of the Secretary for fiscal year 2005 with the past 5 fiscal years.

Answer. The information follows.

FISCAL YEAR 2001–2005 AVERAGE GRADES

Office	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004 (Est.)
Secretarial Offices	10.9	10.9	11.1	11.1
Budget & Programs	11.6	11.8	11.8	11.3
General Counsel	11.8	11.7	11.9	12.0
Governmental Affairs	10.1	11.0	11.6	11.2
Administration	11.8	11.4	11.1	11.2
Aviation & Int'l Affairs	11.0	11.1	11.1	11.1
Transportation Policy	10.6	10.0	10.0	10.3

NOTE.—Fiscal year 2005 data not available.

Question. Please provide a table listing by office of the Office of the Secretary, on-board staffing and FTE for fiscal year 2000, through 2004 and the fiscal year 2005 requested full-time positions and FTE.

Answer. The information follows.

OST STAFFING SALARIES AND EXPENSES—POSITIONS AND FTE

Office	Fiscal Year 2000 Actual		Fiscal Year 2001 Actual		Fiscal Year 2002 Actual		Fiscal Year 2003 Request		Fiscal Year 2004 Request		Fiscal Year 2005 Request	
	FTP	FTE	FTP	FTE	FTP	FTE	FTP	FTE	FTP	FTE	FTP	FTE
General Counsel	87	81	92	81	112	92	112	106	106	100	106	100
Under Sec Transportation Policy	34	30	33	29	33	29	133	129	132	128	132	128
Aviation/International Affairs [1]	94	94	92	87	92	92	....	....	....	....	....	....
Budget and Programs	56	56	56	51	56	44	56	56	55	55	55	55
Governmental Affairs	24	24	24	18	24	21	24	24	24	24	24	24
Administration [2]	81	61	81	67	82	99	83	79	86	84	86	84
Public Affairs	21	20	21	18	21	19	21	21	21	21	21	21
Office of the Secretary	23	22	22	22	22	21	22	22	22	22	22	22
Office of the Deputy Secretary	7	6	7	4	7	6	7	7	7	7	7	7
Office of Intermodalism [3]	10	10	....	....	....	....	....	....	....	....	....	....
Office of the Executive Secretariat	15	15	15	14	15	15	15	15	15	15	15	15
Board of Contract Appeals	6	5	6	5	5	5	6	6	6	6	6	6
Small and Disadvantaged Business	12	12	12	9	12	10	12	12	11	11	11	11
Intelligence and Security [4]	12	11	12	11	12	8	[15]	[14]	15	15	15	15
Ofc of the Chief Information Officer	21	21	21	21	21	22	25	23	25	25	25	25
Total staffing, Salaries & Expenses	503	468	494	437	514	483	516	500	525	513	525	513

[1] Beginning in fiscal year 2003, the Office of Aviation/International Affairs is consolidated in the Office of the Under Secretary of Transportation for Policy.
[2] For fiscal year 2002, the Office of Administration includes FTE associated with the standup of the Transportation Security Administration.
[3] For fiscal years 2001 and 2002, the Office of Intermodalism is funded within FHWA. The fiscal year 2003 budget transfers the Office of Intermodalism from FHWA to OST Under Secretary of Transportation for Policy.
[4] For fiscal year 2003, the Office of Intelligence and Security is funded under reimbursable agreement.

FUNDING LEVELS FOR OST OFFICES

Question. Please provide a table displaying the enacted level for fiscal years 2002, 2003, 2004 for each office of the Office of the Secretary and the amount of any transfers of funds between offices (or to date for fiscal year 2004).

Answer. The table below provides the enacted level for fiscal years 2002, 2003, 2004 for each office of the Office of the Secretary. There were no enacted transfers of funds between OST offices for fiscal years 2002, 2003, or 2004 (as of May 31, 2004).

OFFICE OF THE SECRETARY ENACTED LEVELS FOR FISCAL YEAR 2002 THRU FISCAL YEAR 2004

[In thousands of dollars]

Accounts	Fiscal Year 2002 Enacted	Fiscal Year 2003 Enacted	Fiscal Year 2004 Enacted
SALARIES & EXPENSES:			
Office of the Secretary	1,929	2,197	2,179
Office of the Deputy Secretary	619	804	690
Office of the Under Secretary of Transportation for Policy	....	12,300	12,141
Aviation/International Affairs [1]	10,479	....	....
Office of Intermodalism [2]	....	....	....
Board of Contract Appeals	507	607	690
Office of Small & Disadvantaged Business Utilization	540	1,259	1,251
Office of Intelligence & Security [3]	1,321	[1,631]	1,972
Office of the Chief Information Officer	6,141	13,026	7,396
Office of General Counsel	13,355	15,466	14,985
Office of Governmental Affairs	2,282	2,423	2,267.6
Office of the Assistant Secretary for Budget	7,728	8,273	8,418
Office of the Assistant Secretary of Administration	19,250	28,717	22,984
Office of Public Affairs	1,723	1,903	1,889
TOTAL: SALARIES & EXPENSES	67,078	88,357	78,290
TRANSPORTATION PLANNING RESEARCH & DEVELOPMENT (TPR&D)	11,580	23,463	20,426
OFFICE OF CIVIL RIGHTS	8,362	8,514	8,365
MINORITY BUSINESS OUTREACH	3,000	2,949	2,958
MINORITY BUSINESS RESOURCE CENTER PROGRAM (MBRC)	900	894	895
ESSENTIAL AIR SERVICE/PAYMENTS TO AIR CARRIERS	62,952	51,761	51,662
NEW HEADQUARTERS BUILDING	0	0	0
TOTALS	153,872	175,938	162,596

[1] Beginning in fiscal year 2003, the Office of Aviation/International Affairs is consolidated in the Office of the Under Secretary of Transportation for Policy.

[2] For fiscal year 2002, the Office of Intermodalism was funded within FHWA. Beginning in fiscal year 2003 the Office of Intermodalism transfers from FHWA to OST Office of the Under Secretary of Transportation for Policy.

[3] In fiscal year 2003, the Office of Intelligence and Security was funded through a reimbursable agreement.

DETAILS TO THE OFFICE OF THE SECRETARY

Question. Are any staff of the operating administrations detailed to the Office of the Secretary?

Answer. Three employees from the Federal Highway Administration are detailed to the Office of the Secretary.

OST TRAVEL COSTS

Question. Are any travel costs for the Office of the Secretary expected to be paid by the modes?

Answer. In certain circumstances, travel costs for the Secretary are paid for by the operating administrations. For example, if the Secretary attends an event related to airports, the Federal Aviation Administration may pay for the Secretary's travel expenses. The Secretary's attendance at these events helps to enhance the missions of the operating administrations.

Question. Please provide a table indicating the amount of travel costs for the Office of the Secretary that operating administrations paid for in part or in total. Please breakdown by operating administrations for the past 5 years.

Answer. The information follows.

IMMEDIATE OFFICE OF THE SECRETARY

Direct	Fiscal Year 2000	Fiscal Year 2001	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004
MARAD	....	....	....	$1,400	....
FAA	....	....	....	....	$2,826
NHTSA	....	....	....	....	12,633
FTA	$1,638	....	$3,804	541	122
FRA	156	$703	....	....	....
FHWA	1,865	1,891	1,339	730	988
FMCSA	....	....	....	724	584
RSPA	....	....	....	....	654
USCG	462	....	....	....	....
Total	4,121	2,594	5,143	3,395	17,807

Question. Are there guidelines from the Office of the Secretary to the operating administrations that define the circumstances under which the Secretarial travel is paid by the modes? If so, please provide for the record.

Answer. There are no formal written guidelines, but in practice, the modes may be asked to cover the cost of the Secretary's advance staff if an administrator requests the Secretary's presence at an event or conference that deals specifically with the mission of that particular mode. The Secretary's own travel and per diem costs are paid by his immediate office.

Question. Has the DOT General Counsel ever looked at the practice of operating administrations paying for OST travel costs to be in compliance with the general provision carried annually in appropriations Acts prohibiting assessments? Please provide the legal opinion, if there is one, for the record.

Answer. Staff attorneys in the Office of the General Counsel have periodically provided oral advice to agency officials and staff concerning applicable restrictions on making assessments to help fund OST travel costs that are contained in our annual appropriations acts. The General Counsel and his staff have not issued any legal opinions that address this subject.

CHARGES TO THE MODES BY OST

Question. Please provide a list of all accounts that are financed by charges to the modes from OST.

Answer. There are no OST accounts that are financed by charges to the modes. However, for services provided by OST to the modes, charges are collected through reimbursable agreements. For fiscal year 2004, Salaries and Expense and Office of Civil Rights accounts have reimbursable agreements with the modes.

PROPOSALS TO REORGANIZE OST OFFICES

Question. Is there any proposal to consolidate or reorganize any office of the Office of the Secretary assumed in the fiscal year 2005 budget request?

Answer. No, there was no proposal to consolidate or reorganize any office of the Office of the Secretary assumed in the fiscal year 2005 request; however, on June 25, 2004, President Bush transmitted a fiscal year 2005 budget amendment to Congress that would place the operational responsibility for the Office of Emergency Transportation and Crisis Management Center from the Research and Special Programs Administration to the Office of the Secretary.

PROPOSALS TO CONSOLIDATE OST BUDGET ACTIVITIES

Question. Does the fiscal year 2005 budget request reflect any proposals to consolidate budget activities of the Office of the Secretary?

Answer. The fiscal year 2005 request reflects a consolidated budget activity for the Office of the Secretary, the Office of the Deputy Secretary and the Executive Secretariat. This will provide greater flexibility in the day-to-day management of the Offices.

PROPOSALS TO REORGANIZE MODAL OFFICES

Question. Are there any proposals or plans to consolidate, reorganize, or restructure any offices of the operating administrations in fiscal year 2005?

Answer. In fiscal year 2005, the Department plans to consolidate, reorganize, or restructure the following offices:

Federal Aviation Administration (FAA)

The FAA continues to reorganize lines of business and services within the newly created Air Traffic Organization. Also, the Flight Service Stations are currently undergoing an A–76 study which will result in the contracting out or a restructuring of this operation within FAA. Results of this will not be finalized until March 2005.

Research and Special Programs Administration (RSPA)/Office of the Secretary of Transportation (OST)

On June 25, 2004, President Bush transmitted a fiscal year 2005 budget amendment to Congress that would place the operational responsibility for the Office of Emergency Transportation and Crisis Management Center from RSPA to OST.

IMMEDIATE OFFICE OF THE SECRETARY

Question. Please provide detailed justification for the fiscal year 2005 budget request for the Immediate Office of the Secretary by object class.

Answer. The information follows.

[In thousands of dollars]

Object Class	Amount
Full-time permanent	1,522
Other than full-time permanent	364
Other personnel compensation	29
Total personnel compensation	1,915
Civilian personnel benefits	507
Travel & transportation of things	209
Other services	14
Supplies and materials	12
Total	2,738

Question. Please explain in detail the assumptions used to develop the fiscal year 2005 budget request for personnel compensation and benefits of the Immediate Office of the Secretary.

Answer. The assumptions used to develop the Immediate Office of the Secretary's budget request for personnel compensation and benefits are computed as follows: (1) Salary and related benefits from the previous year (fiscal year 2004) are computed based on enacted levels; (2) The fiscal year 2004 enacted level is annualized to fund the full year cost of the fiscal year 2004 pay raise (4.1 percent for an additional one-fourth of a year) and to fully fund the cost of any other personnel actions that occurred in fiscal year 2004; (3) The fiscal year 2005 base is inflated by the proposed fiscal year 2005 pay raise estimated at 1.5 percent (for three-fourths of a year). No new staff increases are proposed for fiscal year 2005.

Question. Please provide the number of staffing positions and FTE requested, indicating direct and reimbursable, for the Immediate Office of the Secretary.

Answer. The information follows.

	Positions	FTE
Direct	15	15
Reimbursable	7	7

Question. Please provide a table listing current staffing for the Immediate Office of the Secretary compared to levels at the end of each quarter of past 5 fiscal years.

Answer. The 5-year FTE history is as follows:

FISCAL YEAR 2001 ACTUAL	22
FISCAL YEAR 2002 ACTUAL	21
FISCAL YEAR 2003 ACTUAL	20
FISCAL YEAR 2004 ENACTED	22
FISCAL YEAR 2004 ON-BOARD	[1] 23
FISCAL YEAR 2005 REQUEST	22

[1] As of March 30, 2004.

Question. Please provide details on anticipated contract expenses in the Immediate Office of the Secretary.

Answer. Anticipated contract expenses in the Immediate Office of the Secretary consist of:

Description of Services	Amount
Subscriptions	$10,300
Other small contracts	4,000

IMMEDIATE OFFICE OF THE DEPUTY SECRETARY

Question. Please provide detailed justification for the fiscal year 2005 budget request for the Office of the Deputy Secretary by object class.

Answer. The information follows.

[In thousands of dollars]

Object Class	Amount
Full-time permanent	534
Other than full-time permanent	214
Other personnel compensation	40
Total personnel compensation	788
Civilian personnel benefits	200
Travel & transportation of things	67
Other services	11
Supplies and materials	4
Total	1,070

Question. Please explain in detail the assumptions used to develop the fiscal year 2005 budget request for personnel compensation and benefits of the Office of the Deputy Secretary.

Answer. The assumptions used to develop the Office of the Deputy Secretary's budget request for personnel compensation and benefits are computed as follows: (1) Salary and related benefits from the previous year (fiscal year 2004) are computed based on enacted levels; (2) The fiscal year 2004 enacted level is annualized to fund the full year cost of the fiscal year 2004 pay raise (4.1 percent for an additional one-fourth of a year) and to fully fund the cost of any other personnel actions that occurred in fiscal year 2004; (3) The fiscal year 2005 base is inflated by the proposed fiscal year 2005 pay raise estimated at 1.5 percent (for three-fourths of a year). No new staff increases are proposed for fiscal year 2005.

Question. Please provide the number of staffing positions and FTE requested, indicating direct and reimbursable, for the Office of the Deputy Secretary.

Answer. The information follows.

	Positions	FTE
Direct	7	7
Reimbursable	0	0

Question. Please provide a table listing current staffing for the Office of the Deputy Secretary compared to levels at the end of each quarter of past 5 fiscal years.

Answer. The 5-year FTE history is as follows:

FISCAL YEAR 2001 ACTUAL	4
FISCAL YEAR 2002 ACTUAL	6
FISCAL YEAR 2003 ACTUAL	5
FISCAL YEAR 2004 ENACTED	7
FISCAL YEAR 2004 ON-BOARD	[1] 6
FISCAL YEAR 2005 REQUEST	7

[1] As of March 30, 2004.

Question. Please provide details on anticipated contract expenses in the Office of the Deputy Secretary.

Answer. Anticipated contract expenses in the Office of the Deputy Secretary consist of:

Description of Services	Amount
Subscriptions	$7,000

OFFICE OF THE EXECUTIVE SECRETARIAT

Question. Please provide detailed justification for the fiscal year 2005 budget request for the Office of the Executive Secretariat by object class.

Answer. The information follows.

[In thousands of dollars]

Object Class	Amount
Full-time permanent	1,159
Other than full-time permanent	35
Other personnel compensation	10
Total personnel compensation	1,204
Civilian personnel benefits	255
Other services	39
Supplies and materials	2
Total	1,500

Question. Please explain in detail the assumptions used to develop the fiscal year 2005 budget request for personnel compensation and benefits of the Office of the Executive Secretariat.

Answer. The assumptions used to develop the Office of the Executive Secretariat's budget request for personnel compensation and benefits are computed as follows: (1) Salary and related benefits from the previous year (fiscal year 2004) are computed based on enacted levels; (2) The fiscal year 2004 enacted level is annualized to fund the full year cost of the fiscal year 2004 pay raise (4.1 percent for an additional one-fourth of a year) and to fully fund the cost of any other personnel actions that occurred in fiscal year 2004; (3) The fiscal year 2005 base is inflated by the proposed fiscal year 2005 pay raise estimated at 1.5 percent (for three-fourths of a year). No new staff increases are proposed for fiscal year 2005.

Question. Please provide the number of staffing positions and FTE requested, indicating direct and reimbursable, for the Office of the Executive Secretariat.

Answer. The information follows.

	Positions	FTE
Direct	15	15
Reimbursable	0	0

Question. Please provide a table listing current staffing for the Office of the Executive Secretariat compared to levels at the end of each quarter of past 5 fiscal years.

Answer. The 5-year FTE history is as follows:

FISCAL YEAR 2001 ACTUAL	14
FISCAL YEAR 2002 ACTUAL	15
FISCAL YEAR 2003 ACTUAL	14
FISCAL YEAR 2004 ENACTED	15
FISCAL YEAR 2004 ON-BOARD	[1] 12
FISCAL YEAR 2005 REQUEST	15

[1] As of March 30, 2004.

Question. Please provide details on anticipated contract expenses in the Office of the Executive Secretariat.

Answer. Anticipated contract expenses in the Office of the Executive Secretariat consist of:

Description of Services	Amount
Enhancements & maintenance of scheduling system	$38,600

OFFICE OF THE UNDER SECRETARY FOR TRANSPORTATION POLICY

Question. Please provide detailed justification for the fiscal year 2005 budget request for the Office of the Under Secretary for Transportation Policy by object class.

Answer. The information follows.

[In thousands of dollars]

Object Class	Amount
Full-time permanent	9,779
Other than full-time permanent	666
Other personnel compensation	56
Total personnel compensation	10,501
Civilian personnel benefits	2,102
Travel & transportation of things	207
Other services	101
Supplies and materials	7
Total	12,918

Question. Please explain in detail the assumptions used to develop the fiscal year 2005 budget request for personnel compensation and benefits of the Office of the Under Secretary for Transportation Policy.

Answer. The assumptions used to develop the Office of the Under Secretary for Transportation Policy's budget request for personnel compensation and benefits are computed as follows: (1) Salary and related benefits from the previous year (fiscal year 2004) are computed based on enacted levels; (2) The fiscal year 2004 enacted level is annualized to fund the full year cost of the fiscal year 2004 pay raise (4.1 percent for an additional one-fourth of a year) and to fully fund the cost of any other personnel actions that occurred in fiscal year 2004; (3) The fiscal year 2005 base is inflated by the proposed fiscal year 2005 pay raise estimated at 1.5 percent (for three-fourths of a year). No new staff increases are proposed for fiscal year 2005.

Question. Please provide the number of staffing positions and FTE requested, indicating direct and reimbursable, for the Office of the Under Secretary for Transportation Policy.

Answer. The information follows.

	Positions	FTE
Direct	128	124
Reimbursable	4	4

Question. Please provide a table listing current staffing for the Office of the Under Secretary for Transportation Policy compared to levels at the end of each quarter of past 5 fiscal years.

Answer. The 5-year FTE history is as follows:

FISCAL YEAR 2001 ACTUAL	116
FISCAL YEAR 2002 ACTUAL	121
FISCAL YEAR 2003 ACTUAL	105
FISCAL YEAR 2004 ENACTED	128
FISCAL YEAR 2004 ON-BOARD	[1] 115
FISCAL YEAR 2005 REQUEST	128

[1] As of March 30, 2004.

Question. Please provide details on anticipated contract expenses in the Office of the Under Secretary for Transportation Policy.

Answer. Anticipated contract expenses in the Office of the Under Secretary for Transportation Policy consist of:

Description of Services	Amount
Translation services	$19,200
Interpreters	41,000
Embassy charges	41,000

BOARD OF CONTRACT APPEALS

Question. Please provide detailed justification for the fiscal year 2005 budget request for the Board of Contract Appeals by object class.

Answer. The information follows.

[In thousands of dollars]

Object Class	Amount
Full-time permanent	660
Other personnel compensation	1
Total personnel compensation	661
Civilian personnel benefits	112
Travel & transportation of things	6
Other services	22
Total	801

Question. Please explain in detail the assumptions used to develop the fiscal year 2005 budget request for personnel compensation and benefits of the Board of Contract Appeals.

Answer. The assumptions used to develop the Board of Contract Appeals' budget request for personnel compensation and benefits are computed as follows: (1) Salary and related benefits from the previous year (fiscal year 2004) are computed based on enacted levels; (2) The fiscal year 2004 enacted level is annualized to fund the full year cost of the fiscal year 2004 pay raise (4.1 percent for an additional one-fourth of a year) and to fully fund the cost of any other personnel actions that occurred in fiscal year 2004; (3) The fiscal year 2005 base is inflated by the proposed fiscal year 2005 pay raise estimated at 1.5 percent (for three-fourths of a year). No new staff increases are proposed for fiscal year 2005.

Question. Please provide the number of staffing positions and FTE requested, indicating direct and reimbursable, for the Board of Contract Appeals.

Answer. The information follows.

	Positions	FTE
Direct	6	6
Reimbursable	0	0

Question. Please provide a table listing current staffing for the Board of Contract Appeals compared to levels at the end of each quarter of past 5 fiscal years.

Answer. The 5-year FTE history is as follows:

FISCAL YEAR 2001 ACTUAL	5
FISCAL YEAR 2002 ACTUAL	5
FISCAL YEAR 2003 ACTUAL	4
FISCAL YEAR 2004 ENACTED	6
FISCAL YEAR 2004 ON-BOARD	[1] 5
FISCAL YEAR 2005 REQUEST	6

[1] As of March 30, 2004.

Question. Please provide details on anticipated contract expenses in the Board of Contract Appeals.

Answer. Anticipated contract expenses in the Board of Contract Appeals consist of:

Description of Services	Amount
Court reporting services for trials	$8,000
Subscriptions to publications	13,000
Other small contracts	1,000

OFFICE OF SMALL AND DISADVANTAGED BUSINESS UTILIZATION

Question. Please provide detailed justification for the fiscal year 2005 budget request for the Office of Small & Disadvantaged Business Utilization by object class.

Answer. The information follows.

[In thousands of dollars]

Object Class	Amount
Full-time permanent	1,087
Civilian personnel benefits	199
Other services	4
Supplies and materials	5
Total	1,295

Question. Please explain in detail the assumptions used to develop the fiscal year 2005 budget request for personnel compensation and benefits of the Office of Small & Disadvantaged Business Utilization.

Answer. The assumptions used to develop the Office of Small & Disadvantaged Business Utilization's budget request for personnel compensation and benefits are computed as follows: (1) Salary and related benefits from the previous year (fiscal year 2004) are computed based on enacted levels; (2) The fiscal year 2004 enacted level is annualized to fund the full year cost of the fiscal year 2004 pay raise (4.1 percent for an additional one-fourth of a year) and to fully fund the cost of any other personnel actions that occurred in fiscal year 2004; (3) The fiscal year 2005 base is inflated by the proposed fiscal year 2005 pay raise estimated at 1.5 percent (for three-fourths of a year). No new staff increases are proposed for fiscal year 2005.

Question. Please provide the number of staffing positions and FTE requested, indicating direct and reimbursable, for the Office of Small & Disadvantaged Business Utilization.

Answer. The information follows.

	Positions	FTE
Direct	11	11
Reimbursable	0	0

Question. Please provide a table listing current staffing for the Office of Small & Disadvantaged Business Utilization compared to levels at the end of each quarter of past 5 fiscal years.

Answer. The 5-year FTE history is as follows:

FISCAL YEAR 2001 ACTUAL	9
FISCAL YEAR 2002 ACTUAL	10
FISCAL YEAR 2003 ACTUAL	10
FISCAL YEAR 2004 ENACTED	11
FISCAL YEAR 2004 ON-BOARD	[1] 9
FISCAL YEAR 2005 REQUEST	11

[1] As of March 30, 2004.

Question. Please provide details on anticipated contract expenses in the Office of Small & Disadvantaged Business Utilization.

Answer. Anticipated contract expenses in the Office of Small & Disadvantaged Business Utilization are as follows:

Description of Services	Amount
Working Capital Fund Service Agreements	$3,000

OFFICE OF INTELLIGENCE AND SECURITY

Question. Please provide detailed justification for the fiscal year 2005 budget request for the Office of Intelligence and Security by object class.

Answer. The information follows.

[In thousands of dollars]

Object Class	Amount
Full-time permanent	1,402
Other than full-time permanent	5
Total personnel compensation	1,407
Civilian personnel benefits	394

[In thousands of dollars]

Object Class	Amount
Travel & transportation of things	72
Other services	367
Supplies and materials	10
Equipment	10
Total	2,260

Question. Please explain in detail the assumptions used to develop the fiscal year 2005 budget request for personnel compensation and benefits of the Office of Intelligence and Security.

Answer. The assumptions used to develop the Office of Intelligence and Security's budget request for personnel compensation and benefits are computed as follows: (1) Salary and related benefits from the previous year (fiscal year 2004) are computed based on enacted levels; (2) The fiscal year 2004 enacted level is annualized to fund the full year cost of the fiscal year 2004 pay raise (4.1 percent for an additional one-fourth of a year) and to fully fund the cost of any other personnel actions that occurred in fiscal year 2004; (3) The fiscal year 2005 base is inflated by the proposed fiscal year 2005 pay raise estimated at 1.5 percent (for three-fourths of a year). No new staff increases are proposed for fiscal year 2005.

Question. How many officials besides the Secretary does the Office of Intelligence and Security serve?

Answer. S–60 provides day-to-day support to the Office of the Secretary and to the Operating Administrations by providing intelligence, security policy guidance and information. The office assures that security issues are identified and properly coordinated between the modes and the DHS, TSA and the HSC. The following individuals and their senior staffs are served by S–60:

—Under Secretary of Transportation for Policy
—General Counsel
—Assistant Secretary for Transportation Policy
—Assistant Secretary for Aviation and International Affairs
—Assistant Secretary for Budget and Programs
—Assistant Secretary for Administration
—Assistant Secretary for Governmental Affairs
—Assistant Secretary for Public Affairs
—Inspector General
—Federal Highway Administrator
—Federal Railroad Administrator
—Federal Transit Administrator
—National Highway Traffic Safety Administrator
—St. Lawrence Seaway Development Corporation Administrator
—Maritime Administrator
—Research and Special Programs Administrator
—Federal Motor Carrier Safety Administrator.

Question. Please provide a list of all performance measures related to the Office of Intelligence and Security.

Answer. Department's Performance Goals:

—Ensure the security of people and goods and advance our national security interests in support of the National Security Strategy; and
—Rapid Recovery of Transportation in all modes from intentional harm and natural disasters.

In support of these goals, S–60 provides timely intelligence briefings and products to senior DOT officials, prepares the Secretary and Deputy Secretary for Principals and Deputies meetings on Homeland Security, is responsible for all aspects of the Transportation Security Policy and is the DOT liaison to the Department of Homeland Security, as well as law enforcement and intelligence agencies.

Question. Does DOT produce intelligence or is the Department only a consumer of intelligence?

Answer. DOT is predominately an Intelligence consumer. However, our Intelligence Analysts have produced limited intelligence analytical produces directly related to transportation and hazardous materials issues. They also work with the Intelligence Community to assure that intelligence concerning threats to transportation are identified and communicated to those in DOT with a need to know.

Question. Please provide the number of staffing positions and FTE requested, indicating direct and reimbursable, for the Office of Intelligence and Security.

Answer. The information follows.

	Positions	FTE
Direct	15	15
Reimbursable	0	0

Question. Please provide a table listing current staffing for the Office of Intelligence and Security compared to levels at the end of each quarter of past 5 fiscal years.

Answer. The 5-year FTE history is as follows:

FISCAL YEAR 2001 ACTUAL	11
FISCAL YEAR 2002 ACTUAL	8
FISCAL YEAR 2003 ACTUAL	7
FISCAL YEAR 2004 ENACTED	15
FISCAL YEAR 2004 ON-BOARD	[1] 11
FISCAL YEAR 2005 REQUEST	15

[1] As of March 30, 2004.

Question. Please provide details on anticipated contract expenses in the Office of Intelligence and Security.

Answer. Anticipated contract expenses in the Office of Intelligence and Security consist of:

Description of Services	Amount
Security Liaison	$140,000
Renovation of Secure Information Facility	200,000
Secure communication at DOT alternate COOP site	26,600

OFFICE OF THE CHIEF INFORMATION OFFICER

Question. Please provide detailed justification for the fiscal year 2005 budget request for the Office of the Chief Information Officer by object class.

Answer. The information follows.

[In thousands of dollars]

Object Class	Amount
Full-time permanent	2,691
Other than full-time permanent	146
Other personnel compensation	22
Total personnel compensation	2,859
Civilian personnel benefits	551
Travel & transportation of things	34
Other services	13,278
Supplies and materials	10
Equipment	10
Total	16,742

Question. Please explain in detail the assumptions used to develop the fiscal year 2005 budget request for personnel compensation and benefits of the Office of the Chief Information Officer.

Answer. The assumptions used to develop the Office of the Chief Information Officer's budget request for personnel compensation and benefits are computed as follows: (1) Salary and related benefits from the previous year (fiscal year 2004) are computed based on enacted levels; (2) The fiscal year 2004 enacted level is annualized to fund the full year cost of the fiscal year 2004 pay raise (4.1 percent for an additional one-fourth of a year) and to fully fund the cost of any other personnel actions that occurred in fiscal year 2004; (3) The fiscal year 2005 base is inflated by the proposed fiscal year 2005 pay raise estimated at 1.5 percent (for three-fourths of a year). No new staff increases are proposed for fiscal year 2005.

Question. Please provide the number of staffing positions and FTE requested, indicating direct and reimbursable, for the Office of the Chief Information Officer.

Answer. The information follows.

	Positions	FTE
Direct	25	25
Reimbursable	0	0

Question. Please provide a table listing current staffing for the Office of the Chief Information Officer compared to levels at the end of each quarter of past 5 fiscal years.

Answer. The 5-year FTE history is as follows:

FISCAL YEAR 2001 ACTUAL	21
FISCAL YEAR 2002 ACTUAL	22
FISCAL YEAR 2003 ACTUAL	21
FISCAL YEAR 2004 ENACTED	25
FISCAL YEAR 2004 ON-BOARD	[1] 20
FISCAL YEAR 2005 REQUEST	25

[1] As of March 30, 2004.

Question. Please provide details on anticipated contract expenses in the Office of the Chief Information Officer.

Answer. Anticipated contract expenses in the Office of the Chief Information Officer consist of:

Description of Services	Amount
Capital Planning Investment Control (CPIC) and Enterprise Architecture (EA)	$1,900,000
Local Area Network (LAN) support for the Office of the Secretary (OST)	1,700,000
IT services and user support designed to meet the IT requirements of the DOT	4,500,000
Working Capital Fund service agreements	3,300,000
E-gov Initiatives	1,500,000
Other small contracts	378,000

OFFICE OF THE ASSISTANT SECRTARY FOR GOVERNMENTAL AFFAIRS

Question. Please provide detailed justification for the fiscal year 2005 budget request for the Office of the Assistant Secretary for Governmental Affairs by object class.

Answer. The information follows.

[In thousands of dollars]

Object Class	Amount
Full-time permanent	1,156
Other than full-time permanent	860
Other personnel compensation	7
Total personnel compensation	2,023
Civilian personnel benefits	502
Travel & transportation of things	36
Other services	22
Supplies and materials	2
Equipment	2
Total	2,587

Question. Please explain in detail the assumptions used to develop the fiscal year 2005 budget request for personnel compensation and benefits of the Office of the Assistant Secretary for Governmental Affairs.

Answer. The assumptions used to develop the Office of the Assistant Secretary for Governmental Affairs' budget request for personnel compensation and benefits are computed as follows: (1) Salary and related benefits from the previous year (fiscal year 2004) are computed based on enacted levels; (2) The fiscal year 2004 enacted level is annualized to fund the full year cost of the fiscal year 2004 pay raise (4.1 percent for an additional one-fourth of a year) and to fully fund the cost of any other personnel actions that occurred in fiscal year 2004; (3) The fiscal year 2005 base is inflated by the proposed fiscal year 2005 pay raise estimated at 1.5 percent (for three-fourths of a year). No new staff increases are proposed for fiscal year 2005.

Question. Please provide the number of staffing positions and FTE requested, indicating direct and reimbursable, for the Office of the Assistant Secretary for Governmental Affairs.

Answer. The information follows.

	Positions	FTE
Direct	24	24
Reimbursable	0	0

Question. Please provide a table listing current staffing for the Office of the Assistant Secretary for Governmental Affairs compared to levels at the end of each quarter of past 5 fiscal years.

Answer. The 5-year FTE history is as follows:

FISCAL YEAR 2001 ACTUAL	18
FISCAL YEAR 2002 ACTUAL	21
FISCAL YEAR 2003 ACTUAL	21
FISCAL YEAR 2004 ENACTED	24
FISCAL YEAR 2004 ON-BOARD	[1] 16
FISCAL YEAR 2005 REQUEST	24

[1] As of March 30, 2004.

Question. Please provide details on anticipated contract expenses in the Office of the Assistant Secretary for Governmental Affairs.

Answer. Anticipated contract expenses in the Office of the Assistant Secretary for Governmental Affairs consist of:

Description of Services	Amount
Gallery Watch Legislative Monitoring	$11,000
Subscriptions	5,000
Other small contracts	6,000

OFFICE OF THE GENERAL COUNSEL

Question. Please provide detailed justification for the fiscal year 2005 budget request for the Office of the General Counsel by object class.

Answer. The information follows.

[In thousands of dollars]

Object Class	Amount
Full-time permanent	9,417
Other than full-time permanent	596
Other personnel compensation	105
Total personnel compensation	10,118
Civilian personnel benefits	2,123
Travel & transportation of things	246
Printing and reproduction	269
Other services	4,143
Supplies and materials	21
Total	16,920

Question. Please explain in detail the assumptions used to develop the fiscal year 2005 budget request for personnel compensation and benefits of the Office of the General Counsel.

Answer. The assumptions used to develop the Office of the General Counsel's budget request for personnel compensation and benefits are computed as follows: (1) Salary and related benefits from the previous year (fiscal year 2004) are computed based on enacted levels; (2) The fiscal year 2004 enacted level is annualized to fund the full year cost of the fiscal year 2004 pay raise (4.1 percent for an additional one-fourth of a year) and to fully fund the cost of any other personnel actions that occurred in fiscal year 2004; (3) The fiscal year 2005 base is inflated by the proposed fiscal year 2005 pay raise estimated at 1.5 percent (for three-fourths of a year). No new staff increases are proposed for fiscal year 2005.

Question. Please provide the number of staffing positions and FTE requested, indicating direct and reimbursable, for the Office of the General Counsel.

Answer. The information follows.

	Positions	FTE
Direct	106	100
Reimbursable	0	0

Question. Please provide a table listing current staffing for the Office of the General Counsel compared to levels at the end of each quarter of past 5 fiscal years.

Answer. The 5-year FTE history is as follows:

FISCAL YEAR 2001 ACTUAL	81
FISCAL YEAR 2002 ACTUAL	92
FISCAL YEAR 2003 ACTUAL	100
FISCAL YEAR 2004 ENACTED	100
FISCAL YEAR 2004 ON-BOARD	[1] 102
FISCAL YEAR 2005 REQUEST	100

[1] As of March 30, 2004.

Question. Please provide details on anticipated contract expenses in the Office of the General Counsel.

Answer. Anticipated contract expenses in the Office of the General Counsel consist of:

Description of Services	Amount
Dockets Management System	$1,035,000
Integrated Disabilities Hotline Maintenance and Operations	1,235,000
Technical Assistance Manual and Modal Training Program & Public & Industry Outreach to Assist in Ensuring the Air Travel Environment is Free of Discrimination	655,000
Administrative Litigation Costs for Enforcement Aviation Economic and Civil Rights Matters	50,000
Rulemaking Management System Support	97,000
Regulatory Management System, List Serve & Automated Coordination Maintenance	115,000
E-gov Rulemaking Assessment	800,000
Other small contracts	156,000

OFFICE OF THE ASSISTANT SECRETARY FOR BUDGET AND PROGRAMS

Question. Please provide detailed justification for the fiscal year 2005 budget request for the Office of the Assistant Secretary for Budget and Programs by object class.

Answer. The information follows.

[In thousands of dollars]

Object Class	Amount
Full-time permanent	5,039
Other than full-time permanent	285
Other personnel compensation	44
Total personnel compensation	5,368
Civilian personnel benefits	1,539
Travel & transportation of things	14
Other services	1,952
Supplies and materials	6
Equipment	10
Total	8,889

Question. Please explain in detail the assumptions used to develop the fiscal year 2005 budget request for personnel compensation and benefits of the Office of the Assistant Secretary for Budget and Programs.

Answer. The assumptions used to develop the Office of the Assistant Secretary for Budget and Programs' budget request for personnel compensation and benefits are computed as follows: (1) Salary and related benefits from the previous year (fiscal year 2004) are computed based on enacted levels; (2) The fiscal year 2004 enacted

level is annualized to fund the full year cost of the fiscal year 2004 pay raise (4.1 percent for an additional one-fourth of a year) and to fully fund the cost of any other personnel actions that occurred in fiscal year 2004; (3) The fiscal year 2005 base is inflated by the proposed fiscal year 2005 pay raise estimated at 1.5 percent (for three-fourths of a year). No new staff increases are proposed for fiscal year 2005.

Question. Please provide the number of staffing positions and FTE requested, indicating direct and reimbursable, for the Office of the Assistant Secretary for Budget and Programs.

Answer. The information follows.

	Positions	FTE
Direct	54	54
Reimbursable	1	1

Question. Please provide a table listing current staffing for the Office of the Assistant Secretary for Budget and Programs compared to levels at the end of each quarter of past 5 fiscal years.

Answer. The 5-year FTE history is as follows:

FISCAL YEAR 2001 ACTUAL	51
FISCAL YEAR 2002 ACTUAL	44
FISCAL YEAR 2003 ACTUAL	46
FISCAL YEAR 2004 ENACTED	55
FISCAL YEAR 2004 ON-BOARD	[1] 51
FISCAL YEAR 2005 REQUEST	55

[1] As of March 30, 2004.

Question. Please provide details on anticipated contract costs in the Office of the Assistant Secretary for Budget and Programs.

Answer. Anticipated contract expenses in the Office of the Assistant Secretary for Budget and Programs consist of:

Description of Services	Amount
Departmental Accounting and Financial Information System	$145,000
Travel Management System	20,000
Accounting Services	818,000
CIO IT Support	365,000
Payroll Reimbursement to FAA	147,000
FTA Web Support for OST Payroll Reports	50,000
CFO Web Support	50,000
CRTS Database Support	20,000
Bearing Point	321,000
Other small contracts	16,000

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

Question. Please provide detailed justification for the fiscal year 2005 budget request for the Office of the Assistant Secretary for Administration by object class.

Answer. The information follows.

[In thousands of dollars]

Object Class	Amount
Full-time permanent	5,825
Other than full-time permanent	102
Other personnel compensation	67
Total personnel compensation	5,994
Civilian personnel benefits	1,438
Travel & transportation of things	35
Rental payments to GSA	9,147
Other services	16,291
Supplies and materials	30
Total	32,935

Question. Please explain in detail the assumptions used to develop the fiscal year 2005 budget request for personnel compensation and benefits of the Office of the Assistant Secretary for Administration.

Answer. The assumptions used to develop the Office of the Assistant Secretary for Administration's budget request for personnel compensation and benefits are computed as follows: (1) Salary and related benefits from the previous year (fiscal year 2004) are computed based on enacted levels; (2) The fiscal year 2004 enacted level is annualized to fund the full year cost of the fiscal year 2004 pay raise (4.1 percent for an additional one-fourth of a year) and to fully fund the cost of any other personnel actions that occurred in fiscal year 2004; (3) The fiscal year 2005 base is inflated by the proposed fiscal year 2005 pay raise estimated at 1.5 percent (for three-fourths of a year). No new staff increases are proposed for fiscal year 2005.

Question. Please provide the number of staffing positions and FTE requested, indicating direct and reimbursable, for the Office of the Assistant Secretary for Administration.

Answer. The information follows.

	Positions	FTE
Direct	66	65
Reimbursable	20	19

Question. Please provide a table listing current staffing for the Office of the Assistant Secretary for Administration compared to levels at the end of each quarter of past 5 fiscal years.

Answer. The 5-year FTE history is as follows:

FISCAL YEAR 2001 ACTUAL	67
FISCAL YEAR 2002 ACTUAL	99
FISCAL YEAR 2003 ACTUAL	77
FISCAL YEAR 2004 ENACTED	84
FISCAL YEAR 2004 ON-BOARD	[1] 69
FISCAL YEAR 2005 REQUEST	84

[1] As of March 30, 2004.

Question. Please provide details on anticipated contract costs in the Office of the Assistant Secretary for Administration.

Answer. Anticipated contract expenses in the Office of the Assistant Secretary for Administration consist of:

Description of Services	Amount
MSI Program	$130,000
E-Grants	350,000
Electronic Business Process	943,000
Online Internet Research	110,000
Security Investigations	85,000
New Headquarters Building Security	130,000
Training	183,000
Corporate Recruitment	500,000
Consolidated Benefits Assistance	400,000
Federal Personnel & Payroll System	846,800
OST Cost to WCF	10,030,000
Reimbursements to USCG Clinic	37,000
Workforce Improvements Initiative	208,000
DOT-wide Admin and Management Services	143,000
Subscriptions	28,300
Procurement Strategy Council	45,000
Electronic Official Personnel Folders	1,000,000
Centralized Workers' Compensation	250,000
E-training Initiative	750,000
CPMIS Charges	85,000
Federal Employments Information Services	36,700

OFFICE OF PUBLIC AFFAIRS

Question. Please provide detailed justification for the fiscal year 2005 budget request for the Office of Public Affairs by object class.

Answer. The information follows.

[In thousands of dollars]

Object Class	Amount
Full-time permanent	1,120
Other than full-time permanent	385
Other personnel compensation	9
Total personnel compensation	1,514
Civilian personnel benefits	387
Travel & transportation of things	51
Other services	69
Supplies and materials	11
Equipment	2
Total	2,034

Question. Please explain in detail the assumptions used to develop the request for personnel compensation and benefits of the Office of Public Affairs.

Answer. The assumptions used to develop the Office of Public Affairs' budget request for personnel compensation and benefits are computed as follows: (1) Salary and related benefits from the previous year (fiscal year 2004) are computed based on enacted levels; (2) The fiscal year 2004 enacted level is annualized to fund the full year cost of the fiscal year 2004 pay raise (4.1 percent for an additional one-fourth of a year) and to fully fund the cost of any other personnel actions that occurred in fiscal year 2004; (3) The fiscal year 2005 base is inflated by the proposed fiscal year 2005 pay raise estimated at 1.5 percent (for three-fourths of a year). No new staff increases are proposed for fiscal year 2005.

Question. Please provide the number of staffing positions and FTE requested, indicating direct and reimbursable, for the Office of Public Affairs.

Answer. The information follows.

	Positions	FTE
Direct	19	19
Reimbursable	2	2

Question. Please provide a table listing current staffing for the Office of Public Affairs compared to levels at the end of each quarter of past 5 fiscal years.

Answer. The 5-year FTE history is as follows:

FISCAL YEAR 2001 ACTUAL	18
FISCAL YEAR 2002 ACTUAL	19
FISCAL YEAR 2003 ACTUAL	16
FISCAL YEAR 2004 ENACTED	21
FISCAL YEAR 2004 ON-BOARD	[1] 16
FISCAL YEAR 2005 REQUEST	21

[1] As of March 30, 2004.

Question. Please provide details on anticipated contract costs in the Office of Public Affairs.

Answer. Anticipated contract expenses in the Office of the Public Affairs consist of:

Description of Services	Amount
Associated Press Service	$16,000
News Wire Service	12,500
Subscriptions	10,000
Transcription Service	5,000
Bacon's Media Service and Publications	6,000
Video Monitoring Service	8,000
Other small contracts	11,200

OST SAFETY PERFORMANCE GOALS

Question. Why is reducing train accidents and highway-rail incidents the only safety area that OST is requesting funds under the safety performance goal?

Answer. The Office of the Secretary addresses all aspects of transportation safety through its management of the DOT Operating Administrations. The funds requested in the OST budget are for cross-cutting programs or specific issues led by OST program offices. DOT's ten Operating Administrations address mode-specific safety issues in their individual budgets.

The programs attributed to this objective support the Department's overall goal to "enhance public health and safety by working toward the elimination of transportation-related deaths and injuries." The programs planned for fiscal year 2006 and included in OST's submission address two areas of concern. The first is the issue of safe pedestrian right-of-way access at rail crossings and the second is improved GPS performance for improved transportation safety across all modes, including rail. Breaking down this second study across all safety performance measures may have diminished its importance and provided a presentation that was difficult to follow; therefore, these two areas were both attributed to rail safety targets.

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

Question. How much is the Department requesting for PC&B and other administrative costs of the Transportation Planning, Research, and Development appropriation? Please explain in detail. How does this compare to fiscal years 2002, 2003, and 2004?

Answer. The information follows.

[In thousands of dollars]

Object Class	Fiscal Year 2002 Actual	Fiscal Year 2003 Actual	Fiscal Year 2004 Enacted	Fiscal Year 2005 Request
Full-time permanent	1,640	1,814	3,202	3,267
Other than full-time permanent	497	593	147	150
Other personnel compensation	29	27	9	9
Total personnel compensation	2,167	2,434	3,358	3,426
Civilian personnel benefits	388	498	456	499
Travel & transportation of things	219	234	53	54
Other services	8,704	13,158	16,824	6,802
Supplies and materials/Equipment	191	164	19	20
Total	11,669	16,489	20,709	10,800

Question. Administrative costs for studies funded with the Transportation Planning, Research, and Development appropriation generally account for 35 to 39 percent of the requested amount. Why is this much necessary for administration? How does this compare to the past 3 fiscal years?

Answer. The administrative costs in the TPR&D budget consist of Personnel Costs and Benefits for 31 FTE. These individuals monitor the contract studies and actually do the studies as in-house expertise allows. In addition, it provides for payment to the Working Capital Fund for TPR&D support services such as the printing and distribution of reports and studies and other research related activities. Lastly, it provides for other administrative such as travel, office supplies, subscriptions, and equipment.

Question. Please indicate which office of the Office of the Secretary will be charged with administration and development of each study that is funded by the Transportation Planning, Research, and Development (TPR&D) appropriation.

Answer. The information follows.

Office of the Assistant Secretary for Transportation Policy

—Safe and Accessible Transportation for Older and Disabled Americans
—Safety and Human Factors
—Navigation Systems (GPS) Protection, Coordination and Policy Development
—Spectrum Protection, Coordination and Policy Development
—Examination of Policy Instruments to Encourage Sustainability
—DOT National Freight Action Plan
—Non-Work Trips and Congestion
—DOT–HUD Joint Research on Transportation and Regional Development

—Alternatives for Financing Surface Transportation Improvements
—Passenger Rail Demand
—Value Pricing
—Implementing Successful Intermodal Passenger Terminal Projects
—Energy, Environment and Climate
—DOT Long Range Policy Analysis—Phase III

Assistant Secretary for Aviation and International Affairs

—Modernization of Aviation Data Systems
—Study to Determine the Demand for Scheduled Air Transportation Carrier Impact of the North American Free Trade Agreement
—Aviation Economic Model
—Analysis of Changes in Airline Cost Structures
—Comprehensive Study on the Role of International Airline Alliance in a Potential U.S.-European Union Aviation Area
—Longer-term Implications of Large-scale Implementation of Regional Jet Service
—Analysis of Small Community Air Service
—Impact of Taxes and Fees on Demand for Air Services and the Financial Condition of the Airline Industry

Question. Please provide administrative costs of TPR&D in detail.

Answer. The information follows.

[In thousands of dollars]

Object Class	Fiscal Year 2002 Actual	Fiscal Year 2003 Actual	Fiscal Year 2004 Enacted	Fiscal Year 2005 Request
Full-time permanent	1,640	1,814	3,202	3,267
Other than full-time permanent	497	593	147	150
Other personnel compensation	29	27	9	9
Total personnel compensation	2,167	2,434	3,358	3,426
Civilian personnel benefits	388	498	456	499
Travel & transportation of things	219	234	53	54
Other services	8,704	13,158	16,824	6,802
Supplies and materials/Equipment	191	164	19	20
Total	11,669	16,489	20,709	10,800

Question. Please indicate which TPR&D studies are new initiatives for fiscal year 2005 and which have received previous funding. Also, please provide a schedule and cost profile for each study that is proposed to be conducted and funded for more than 1 year.

Answer. The information follows.

TPR&D Studies	New	Previous
Safe and Accessible Transportation for Older and Disabled Americans	X	
Safety and Human Factors		X
Navigation Systems (GPS) Protection, Coordination and Policy Development		X
Spectrum Protection, Coordination and Policy Development	X	
Examination of Policy Instruments to Encourage Sustainability	X	
DOT National Freight Action Plan		X
Non-Work Trips and Congestion	X	
DOT–HUD Joint Research on Transportation and Regional Development	X	
Alternatives for Financing Surface Transportation Improvements		X
Passenger Rail Demand	X	
Value Pricing	X	
Implementing Successful Intermodal Passenger Terminal Projects	X	
Energy, Environment and Climate		X
DOT Long Range Policy Analysis—Phase III	X	
Modernization of Aviation Data Systems		X
Study to Determine the Demand for Scheduled Air Transportation	X	
Carrier Impact of the North American Free Trade Agreement	X	
Aviation Economic Model		X
Analysis of Changes In Airline Cost Structures		X
Comprehensive Study on the Role of International Airline Alliance in a Potential U.S.-European Union Aviation Area.	X	
Longer-term Implications of Large-scale Implementation of Regional Jet Service	X	

TPR&D Studies	New	Previous
Analysis of Small Community Air Service	X	
Impact of Taxes and Fees on Demand for Air Services and the Financial Condition of the Airline Industry.		X

Each proposed study is to be conducted and funded in 1 year. Only factors beyond our control would force a multiyear contract. However, as is the nature of research, unexpected or unusual result may suggest a follow up contract.

Question. Please list all TPR&D studies that are included in the fiscal year 2005 congressional justification in order of priority or importance to OST.

Answer. This account includes funding for a variety of program areas and strategic goals, each of which is a priority for the Department. Studies and activities funded by this account provide the basis for policy and program decisions that are vital to the mobility and security of our Nation.

OVERFLIGHT FEES

Question. Please provide a history of administrative or regulatory actions and litigation involving overflight fees since authorized by Congress in 1996.

Answer. The Federal Aviation Reauthorization Act of 1996 directed the FAA to establish a fee schedule to recover the costs it incurs in providing air traffic control and related services to overflights, that is, flights that pass through United States-controlled airspace without taking off or landing. See 49 U.S.C. § 45301(b)(1). Overflight fees are imposed by other countries and are generally collected at higher rates than those rates imposed under the FAA's rule, that is, $33.72 per 100 nautical miles for flights conducted within the Enroute air traffic environment and $15.94 per 100 nautical miles for flights conducted within the Oceanic air traffic environment. At the direction of Congress, revenue secured from overflight fees is to be used to fund the Department's Essential Air Service program which, pursuant to statutory provisions set forth at 49 U.S.C. § 41734(a), subsidizes commercial air service to communities in the United States in circumstances where without such subsidies no commercial air service would exist.

The FAA's Final Rule, and each of its previous Interim Final Rules, has been challenged in judicial proceedings brought by a number of foreign air carriers. The D.C. Circuit's April 8, 2003 decision was the third time that the Court has reviewed FAA's attempt to implement Congress' direction to establish an overflight rule and the third time that the Court has found FAA's efforts wanting. See Asiana Airlines v. FAA, 134 F.3d 393 (D.C. Cir. 1998) (vacating FAA's original rule because it depended, in part, on the use of a Ramsey Pricing model); Air Transport Ass'n of Canada v. FAA, 254 F.3d 271 (D.C. Cir.), rehearing granted and amended 276 F.3d 599 (D.C. Cir. 2001) (remanding FAA's second interim rule for further analysis of whether the FAA's costs of providing air traffic control and related services in Enroute and Oceanic airspace were the same for overflights and for aircraft that take off and land within the United States).

In response to these judicial decisions, Congress amended section 45301(b)(1) in 2001 to provide that overflight fees had only to be "reasonably related," not "directly related," to the FAA's cost of providing air traffic control and related services, that the determination of actual costs was committed to the discretion of the FAA Administrator, and that the Administrator's cost determination could not be subject to judicial review. See Aviation and Transportation Security Act, Public Law 107–71, 115 Stat. 597 (November 19, 2001) ("ATSA").

While we believe that Congress intended these provisions to apply to the then-current rule, it nevertheless also adopted a general savings provision in the ATSA, section 141(d), which provides as follows:

> "This Act shall not affect suits commenced before the date of the enactment of this Act . . . In all such suits, proceedings shall be had, appeals taken, and judgments rendered in the same manner and with the same effect as if this Act had not been enacted."

The focus of the savings provision was intended to be ongoing suits involving activities that were transferred from the FAA to the Transportation Security Administration, and the provision was never intended to "save" ongoing overflight challenges from application of the new standards. But having said this, the plain language of the section had, in the Court's view, precisely that effect, and the most recent challenge to the overflight rule was "commenced before the date of the enactment" of ATSA. On that basis the Court found the amendment to section 45301 and ATSA, section 141(d) to be inapplicable to the current litigation.

Finding that the more lenient provisions of section 45301(b)(1) as amended by ATSA were inapplicable as a result of the savings provision, the D.C. Circuit applied the stricter "directly related" standard of the prior version of the statute and determined that under that standard the FAA had not fully supported certain of its conclusions concerning the labor costs it incurred in providing air traffic control services to overflights. Noting that this was "the third time . . . we find that the FAA disregarded its statutory mandate," Slip op. at 2, the Court vacated the rule and remanded the matter to the FAA.

FAA sought panel rehearing in order to clarify the scope of the Court's mandate that had set aside the entire rule. After that request was summarily rejected, FAA later obtained a 30-day extension of the time within which to file a certiorari request. A second 30-day request was denied by Chief Justice Rehnquist, thereby rendering the Court of Appeals' April 8, 2003 decision final for all purposes, including the application of Plaut v. Spendthrift Farms, Inc., 514 U.S. 211 (1995), which in certain circumstances bars retroactive application of statutes affecting prior judicial decisions.

In November, 2003 Congress passed the Vision 100—Century of Aviation Reauthorization Act, Public Law 108–176, Section 229 of which directly addresses the issue of Overflight Fees. The Act was signed into law by the President on December 12, 2003. Section 229 accomplished a number of things.

First, it provides in subparagraph (a)(1) that Congress specifically intended that the more flexible "reasonably related" standard imposed by the Aviation and Transportation Security Act, 49 U.S.C. § 44901, did apply to pending litigation and that that test should have been used by the D.C. Circuit in evaluating whether the Overflight Fees imposed under the Interim Rule and the Final Rule were properly based upon the FAA's costs in providing air traffic control services to overflights. Subparagraph (a)(1) also clarifies that Congress intended that even in pending litigation the Administrator's determination of the FAA's costs for purposes of computing Overflight Fees is conclusive and not subject to judicial review. The D.C. Circuit's April 8 decision had held these standards to be inapplicable to the Interim Final Rule and the Final Rule, which were pending when the new standards were enacted.

Second, subsection (a)(2) specifically provides that "[t]he interim and final rule [adopted by the FAA], including the fees issued pursuant to those rules, are adopted, legalized, and confirmed as fully to all intents and purposes as if the same had, by prior Act of Congress, been specifically adopted, authorized, and directed as of the date those rules were originally issued." Thus, section 229 establishes legislatively imposed Overflight Rules and fees that, in effect, retroactively and prospectively mirror the rules and fees vacated by the D.C. Circuit in its April 8 decision. However, notwithstanding the fact that subsection (a)(2) adopts the FAA's Interim Rule and Final Rule "as of the date those rules were originally issued, [i.e., May 30, 2000 and August 13, 2001, respectively]" subsection (a)(3) states that all of subsection (a) "applies to fees assessed after November 19, 2001 [i.e. the date on which the Aviation and Transportation Security Act was enacted] and before April 8, 2003 [i.e. the date of the D.C. Circuit's most recent decision on this matter] . . .".

The United States is still evaluating the effect of section 229 of Vision 100 on the D.C. Circuit's April 8, 2003 decision. Section 229 also requires that FAA hold consultations with overflight operators concerning international aspects of the overflight rule and report to Congress on issues raised by the D.C. Circuit's April 8, 2003 decision. FAA is pursuing these matters.

Question. What is the current status of litigation related to overflight fees?

Answer. Section 45301 of title 49, United States Code (as amended by section 273 of the Federal Aviation Reauthorization Act of 1996 (Public Law 104–264)) authorizes the collection of user fees for services provided by the FAA to aircraft that neither take off nor land in the United States, known as overflight fees. The FAA's regulations implementing 49 U.S.C. 45301 have been in litigation since 1997.

Following the court's decision in Air Transport Association of Canada v. Federal Aviation Administration, 323 F.3d 1093, (April 8, 2003), Congress, in Section 229 of the Vision 100—Century of Aviation Reauthorization Act, (Public Law 108–176), legislatively adopted the FAA's final rule relating to overflight fees as of the date on which each rule was initially issued. Congress directed the FAA's Administrator to defer collecting new overflight fees until the Administrator has reported to Congress responding to the issues raised by the court in Air Transport Association of Canada v. Federal Aviation Administration, and consults with users and other interested parties regarding the consistency of the overflight fees with the international obligations of the United States. Vision 100 was signed into law by the President on December 12, 2003.

While negotiations and consultations concerning the FAA's overflight fees regulations are ongoing, it is reasonable for the Department to rely on such funds for the

Essential Air Service program in fiscal year 2005 because the Department will have addressed the requirements in Sec. 229(b) before the start of fiscal year 2005. With such requirements met, the Department will be authorized to collect overflight fees, and funding for the EAS program will be available.

Question. Have the overflight fees that were collected but were tied up in litigation been spent?

Answer. No. Because of the litigation these fees have been held in a special account by the FAA in case they need to be refunded.

Question. Are there any legal or other restrictions to prevent the funds that were collected previously from overflight fees from being spent?

Answer. Yes. Although at present there is no legal prohibition precluding the use of these funds, the Administrator's Order, which releases these funds, will not be final until October 4, 2004, assuming no appeal is filed.

Question. Are there any legal or other restrictions to prevent the funds that were collected previously from overflight fees from being spent?

Answer. Yes. There is a significant degree of uncertainty at the present time as to how much of the currently collected overflight fees will ultimately remain available for spending.

ESSENTIAL AIR SERVICE

Question. How much funding in the EAS program was carried over at the end of fiscal years 2002 and 2003?

Answer. The total funds carried over for fiscal year 2002 and fiscal year 2003 were $12.4 million and $7.5 million, respectively.

Question. Based on current obligation rate for the Essential Air Service program, what will the unobligated balance of funds be at the end of fiscal year 2004?

Answer. We anticipate that we will have obligated all funding available by the end of fiscal year 2004, leaving no unobligated balance.

Question. Please explain in detail the proposal to restructure the Essential Air Service program.

Answer. We are proposing a fundamental change in the way that the government supports transportation services to rural America. As you may know, the EAS program subsidizes scheduled air services to communities that received scheduled service at the time of deregulation—25 years ago. Although there have been tremendous changes in the industry since then, the program has remained static. For too long, many communities—there are a few exceptions—have taken air service for granted as an entitlement and done little or nothing to help make the service successful. Requiring a modest contribution should energize civic officials and business leaders at the local and State levels to encourage use of the service, and, as stakeholders in their service, the communities will become key architects in designing their specific transportation package.

Accordingly, the President's Budget proposes some reforms. For the most isolated communities, we would continue to subsidize air service to the extent of 90 percent of the total subsidy required. Communities that are within a close drive of major airports would qualify for subsidies constituting 50 percent of the total costs for providing surface transportation. Specifically, communities within: (a) 100 driving miles of a large or medium hub airport, (b) 75 miles of a small hub, or (c) 50 miles of a non-hub with jet service would not qualify for subsidy for air service. (Some EAS communities are very close to small hubs but maintain their standing in the program because the nearby airport does not meet the medium-hub threshold.)

At all other subsidized EAS communities, we would offer an array of options, including paying for 75 percent of the cost of the traditional EAS-type scheduled service. In addition, we would work with the communities and State DOT's to procure charter service, single-engine, single-pilot service, regionalized service or ground transportation in cases where they seem to be more responsive to communities' needs.

All service would be subject to budget limitations ($50 million).

Question. If any communities would no longer be eligible for Essential Air Service funding if the Department's proposal is enacted into law, please identify those communities for the record.

Answer. There is no way of knowing if, and if so how many, communities would not be eligible for EAS funding. The reason is that we do not know how many communities will be unwilling to contribute to the costs of providing their air service. While we believe that $50 million would be sufficient to provide air service to all communities that are willing to contribute, in the highly unlikely event that all communities were willing to contribute, some of the lesser-isolated communities would not receive funding. Table I attached shows all of the communities and their re-

quired contribution levels assuming that every community contributes its required share.

Question. The Congressional Justification indicates that $1,300,000 will be used to pay salaries and administrative costs for staff to administer the Essential Air Service program. Please breakdown in greater detail and compare to the past 3 fiscal years.

Answer. The information follows.

[In thousands of dollars]

Object Class	Fiscal Year 2002 Actual	Fiscal Year 2003 Actual	Fiscal Year 2004 Enacted	Fiscal Year 2005 Request
Full-time permanent	871	920	947	958
Other personnel compensation	4	5	0	0
Total personnel compensation	876	925	947	958
Civilian personnel benefits	169	173	180	183
Travel & transportation of things	1	0	15	16
Other services	240	121	121	124
Supplies and materials/Equipment	10	4	20	21
Grants, subsidies, & contributions	99,470	105,726	100,717	48,699
Total	100,765	106,949	102,000	50,000

Question. Please provide the number of on-board staff and FTE requested, indicating direct and reimbursable, for staff who administer the EAS program compared to fiscal years 2003 and 2004.

Answer. The information follows.

	Fiscal Year 2005 Requested	Fiscal Year 2004 Enacted	Fiscal Year 2003 Actual
Direct	10	....	....
Reimbursable	....	10	10

Question. What office or operating administration is responsible for writing and implementing and collecting the overflight fees?

Answer. The Federal Aviation Administration.

Question. Are any of the legislative changes proposed to the EAS program in the budget request authorized by Public Law 108–176?

Answer. The legislative changes proposed in the fiscal year 2005 Budget Request for the Essential Air Service (EAS) program do not rely on the EAS amendments made to chapter 417 of title 49, United States Code (Transportation), by Public Law 108–176 (December 12, 2003).

Question. If Congress does not enact the legislative changes to the EAS program, what is the full cost to continue the program to all current communities in fiscal year 2005?

Answer. The EAS budget is driven by a number of exogenous factors, such as fuel prices, the health and structure of the major carriers, and aircraft fleet decisions made by regional carriers generally to upsize to larger aircraft. The single biggest uncertainty is how many last carriers serving an EAS community will file a notice to suspend service, thus triggering a hold-in and first-time subsidy. Our best estimate is that $120 million would be required for fiscal year 2005 if no changes are made.

AVIATION DATA SYSTEMS

Question. Does the request for $800,000 complete the third phase of the modernization of Aviation Data Systems?

Answer. The $800,000 will be used to begin the process of designing and building the new data system which will collect, validate, and disseminate the re-designed airline traffic data to reduce the reporting burden on the airlines and increase the timeliness, accuracy, and utility of the data which is mission-critical for government agencies, airlines, airports, and other commercial aviation stakeholders. The construction and implementation of this system will complete the modernization of the airline traffic data.

Question. What specific aviation data is being updated? What new data will be collected? Will any data that had been collected no longer be collected?

Answer. The traffic data modernization changes the reporting carrier, reporting frequency, and a number of reported data elements for the Origin-Destination Survey of Airline Passenger Traffic (14 CFR Part 241 Section 19–7). It also changes some reported data elements for the Schedule T–100 Air Carrier Traffic and Capacity Data by Nonstop Segment and On-Flight Market Segment (14 CFR Part 217 and 14 CFR Part 241) to ensure greater statistical correlation between the revised Origin-Destination Survey and the revised Schedule T–100. Current traffic statistics no longer adequately measure the size, scope, and operating and competitive structures of the scheduled passenger airline industry. The changes will eliminate ambiguity, reduce manual data collection by reporting carriers, minimize reporting exemptions, expand the breadth and scope of information collected, and modernize the methods of data submission and dissemination to capture fundamental industry changes.

Question. Who will have access to the Aviation Data Systems?

Answer. All aviation stakeholders inside and outside the government will have access to the data. These data are particularly important to airlines who use it in planning their businesses and to all government agencies responsible for making policy decisions which affect this critical industry.

Question. Do any non-governmental entities have to pay for access to the aviation data systems?

Answer. Currently, some data is made available free over the Internet, while more granular data is sold on tapes for a very nominal fee to cover the costs of production. The new system will make the data much more accessible to a broad range of non-governmental users using web-based technologies. In its Notice of Proposed Rulemaking, the Department will solicit comments from all stakeholders on the data products they would like to see produced from the raw data collected under the new system.

Question. What are the benefits of the new system?

Answer. The traffic data modernization will support the Secretary's obligation to be responsive to the needs of the public and disseminate information to make it easier to adapt the air transportation system to the present and future needs of the commerce of the United States. These data are fundamentally important for both public policy and airline business planning. The proposed changes to the Origin-Destination Survey will eliminate ambiguity, reduce manual data collection by reporting carriers, minimize reporting exemptions, expand the breadth and scope of information collected, and modernize the methods of data submission and dissemination to capture fundamental industry changes. Data enhancements will enable the Department and other stakeholders to better assess changes in traffic flows due to seasonality, carrier route changes, and carrier preference as well as aid the Department in international negotiations. Flight-stage data assists carriers in business planning, demand forecasting, and new service impact analyses.

OFFICE OF THE ASSISTANT GENERAL COUNSEL FOR AVIATION ENFORCEMENT AND PROCEEDINGS

Question. Please breakdown the request for the Office of the Assistant General Counsel for Aviation Enforcement and Proceedings in greater detail.

Answer. Our fiscal year 2005 request can be found in Organizational Excellence and Global Connectivity goals. See page 1 of Organizational Excellence and pp. 12 and 21 of Global Connectivity goals of the submission.

In addition to personnel cost and benefits needed, funding in fiscal year 2005 is requested to operate and maintain the Congressionally-mandated disabilities hotline ($1,235,000), to continue a cell phone contract to ensure the appropriate individuals can be reached to assist hotline operators address time-sensitive disability related air travel complaints ($15,000), to complete the technical assistance manual and model training program and to conduct outreach to assist in ensuring the air travel environment is free of discrimination ($655,000), and to protect air travelers through enforcement of aviation economic and civil rights matters in administrative hearings ($50,000).

Question. Please describe any new initiatives and the corresponding costs that are requested for the Office of the Assistant General Counsel for Aviation Enforcement.

Answer. The Office of the Assistant General Counsel for Aviation Enforcement (Aviation Enforcement Office) is not requesting any funds for new initiatives. All of the funds being requested for fiscal year 2005 will be used to continue work that began in prior years.

EMPLOYEE TRAINING AND DEVELOPMENT

Question. Please compare the request for employee training and development for OST and each operating administration to the past 4 fiscal years.

Answer. The information follows.

EMPLOYEE TRAINING AND DEVELOPMENT

[In thousands of dollars]

	Fiscal Year 2002 Actual	Fiscal Year 2003 Actual	Fiscal Year 2004 Estimate	Fiscal Year 2005 Estimate
Office of the Secretary	....	1,892	256	198
Federal Aviation Administration	144,806	157,477	153,929	158,398
Federal Highway Administration	3,898	3,985	4,579	4,579
Federal Motor Carrier Safety Administration	5,518	3,903	5,486	4,223
National Highway Traffic Safety Admininistration	223	227	227	275
Federal Railroad Administration	909	1,086	1,513	2,216
Federal Transit Administration	460	475	485	505
St. Lawrence Seaway Development Corp	51	55	56	90
Research and Special Programs Admin	173	190	190	237
Office of the Inspector General	425	389	447	447
Surface Transportation Board	41	41	28	28
Bureau of Transportation Statistics	237	148	341	200
Maritime Administration	373	238	350	350
Total	157,114	170,106	167,887	171,746

NOTE.—Excludes Working Capital Fund.

ATTORNEYS IN DOT

Question. Please provide a table displaying the number of attorneys in the Office of General Counsel and in each modal administration compared to the last 3 fiscal years.

Answer. The information follows.

	Fiscal Year 2004	Fiscal Year 2003	Fiscal Year 2002
Federal Aviation Administration	184	195	188
General Counsel, Office of the Secretary	64	68	69
Federal Highway Administration	45	47	46
Federal Railroad Administration	31	30	30
Federal Transit Administration	25	25	27
Maritime Administration	25	23	22
National Highway Traffic Safety Admin.	22	26	24
Federal Motor Carrier Safety Admin.	33	25	29
Research & Special Programs Admin.	19	17	18
Inspector General	5	4	4
St. Lawrence Seaway Development Corp.	1	1	1
Bureau of Transportation Statistics	1	1	1

Question. How many attorneys in the Office of General Counsel work primarily on aviation-related issues?

Answer. There are 34 attorneys who work primarily on aviation-related issues.

Question. Do the all the attorneys in the operating administrations report to the modal administrator or to the Department's General Counsel?

Answer. The attorneys in the operating administrations do not report to the Department's General Counsel. However, the General Counsel exercises professional supervision, including coordination and review, over the legal work of the legal offices of the Department.

Question. Who approves the performance appraisals for attorneys paid by the operating administrations?

Answer. The performance appraisals are approved by each operating administration.

Question. Please provide the number of attorneys on staff for each operating administration and Office of the Secretary.

Answer. The information follows.

Federal Aviation Administration	184
Federal Highway Administration	45
Federal Railroad Administration	31

Federal Transit Administration	25
Maritime Administration	25
National Highway Traffic Safety Admin.	22
Federal Motor Carrier Safety Admin.	33
Research & Special Programs Admin.	19
Inspector General	5
St. Lawrence Seaway Development Corp.	1
Bureau of Transportation Statistics	1
General Counsel, Office of the Secretary	64

Question. For the attorneys involved in aviation issues, how is their workload related to the Office of the Assistant Secretary for Aviation and International Affairs?

Answer. Attorneys in the Office of the Assistant General Counsel for Environmental, Civil Rights, and General Law ("General Law") provide services on aviation-related issues generally do so for clients in the Office of the Assistant Secretary for Aviation and International Affairs. Primary clients are those in the immediate Office of the Assistant Secretary, and the Offices of Aviation Analysis and Planning and Special Projects. The advice and services provided by these attorneys related most routinely to the Essential Air Service Program; to Small Community air Service grants; on competition plans, congestion management, and other aviation policy matters; and on slot exemption and air carrier compensation issues. However, there can be a myriad of other circumstances on which an "aviation-related" issue may arise in the Office of the Assistant Secretary for Aviation and International Affairs on which assistance is sought from the attorneys in General Law. These include matters involving appropriations, finance, national security, Freedom on Information matters, statutory interpretation, bankruptcy, intellectual property, and environmental law.

Under a long-standing understanding with the Department of Justice, litigation attorneys defend, with little or no DOJ assistance, aviation decisions of the Department when they are challenged in judicial proceedings. We also work with the Office of the Assistant Secretary for Aviation and International Affairs by providing policy guidance on legal matters and drafting assistance, particularly in areas of antitrust issues and computer reservation system and travel agent matters.

The attorneys in the Office of the Assistant General Counsel for Regulation and Enforcement coordinate the Office of the Secretary's review of modal proposed and final regulations, including aviation regulations. Accordingly, they work closely with the Office of the Assistant Secretary for Aviation and International Affairs to ensure full review of aviation regulatory documents. Frequently, the attorneys in this office will meet with personnel from Aviation and International Affairs about any regulatory questions or issues that arise, and it is their job to try to resolve outstanding issues before a document is submitted for Secretarial review. In addition, the Office of the Assistant Secretary for Aviation and International Affairs generates its own rules, on matters such as computer reservations systems and access for disabled travelers. When it does so, our office provides drafting assistance as well as coordination and review. More broadly, the attorneys in this office provide legal advice as necessary on regulatory matters to the Office of the Assistant Secretary for Aviation and International Affairs.

The Legislative Office provides support for the Assistant Secretary for Aviation and International Affairs through the preparation and clearance through DOT and OMB of all Departmental legislative proposals intended to carry out the Department's initiatives and programs related to aviation activities. It also administers DOT/OMB clearance of the Assistant Secretary's testimony before Congress on aviation issues. Finally, they provide DOT/OMB clearance of comments or revisions originating with the Assistant Secretary's office on all draft legislation, draft testimony and draft reports to Congress that may originate within other Departments but are related to aviation issues.

Attorneys in the Aviation Enforcement Office work in close consultation with staff in the Office of the Assistant Secretary for Aviation and International Affairs to develop policies to improve air service and/or access to the commercial aviation system as well as policies on anticompetitive practices in the airline industry. The Aviation Enforcement Office also assists the Office of the Assistant Secretary for Aviation and International Affairs in its review of U.S. air carrier requests for economic authority, and provides assistance on public charter and fitness issues.

Attorneys provide legal support and facilitation of the Department's international aviation program goals implemented by the Assistant Secretary for Aviation and International Affairs, including transportation negotiations with foreign countries, international aviation trade matters, international transportation safety and security, international trade, international aviation pricing, Alaska and international

mail rates, aviation licensing and regulatory matters involving international transportation, aviation war risk insurance issues, international aviation sanctions, and interdiction of illegal drugs and other contraband. At international transportation negotiations, the Office provides legal support as a member of the U.S. Delegation, legal advisor and chief drafter of all documents.

ACCESSIBILITY FOR ALL AMERICA PROGRAM

Question. Please compare the request for the Accessibility for All America program to the past 3 fiscal years.

Answer. The Department's request for Accessibility for All America the past 3 fiscal years is as follows:

	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004
Accessibility for All America	$2,494,000	$2,101,000	$2,533,000

Question. Please breakdown the request for the Accessibility for All America program in greater detail.

Answer. The information follows.

	Fiscal Year 2005 Request
Disabilities Hotline including cell phone contract	$1,250,000
Tech Assist. Manual, Outreach & Translations	655,000
TOTAL	1,905,000

In fiscal year 2005, the office is requesting funding to continue operating and maintaining the congressionally mandated toll-free hotline to educate and assist individuals in resolving disability-related air travel problems. Funding is also requested to complete work on the statutorily-required ACAA technical assistance manual (including a model training program), to continue ensuring that a wider audience can use the materials DOT's Aviation Enforcement Office issues (e.g., translating documents into Braille and Spanish) and to encourage collaborative policymaking and enhanced cooperation between carriers, airport, and civil rights organizations by convening air travel civil rights forums.

Question. Please identify which initiatives under the accessibility program are new, which continue efforts started in previous years, and what the base funding is for each on-going effort.

Answer. The Office of the General Counsel is not requesting any funds for new initiatives related to the accessibility program. All of the funds being requested for fiscal year 2005 are necessary to continue the ongoing work set out below.

	Fiscal Year 2002	Fiscal Year 2003	Fiscal Year 2004	Fiscal Year 2005 (Request)
Integrated Disabilities Hotline	$870,000	$870,015	$1,239,807	$1,250,000
Technical Assistance Outreach and Translations	....	669,366	....	655,000

Base funding of $870,000 was provided in fiscal year 2002 to develop and implement a congressionally-mandated toll-free hotline, staffed 7 days per week from 7 a.m. until 11 p.m. to answer questions from disabled air travelers and assist such persons in resolving disability-related air travel problems in "real time." Implementation occurred in December 2003 which allowed the program to remain funded at the same level through the remaining three quarters of fiscal year 2003. The $1,239,807 enacted for fiscal year 2004 and the $1,235,000 requested for fiscal year 2005 are necessary to maintain the hotline for each full fiscal year.

Base funding of $669,366 was provided in fiscal year 2003 to: (1) begin work on a comprehensive technical assistance manual as well as a model training program to guide airlines in assisting air travelers with disabilities and to educate airlines about the proscription against discrimination based on race, national origin, ethnicity, or religion in air travel; (2) translate civil rights-related publications into different languages; and (3) encourage collaborative policymaking between carriers and civil rights organizations by convening air travel civil rights forums. These developmental efforts continued in fiscal year 2004 but a reduced funding level for the office forced a redirection of base funds elsewhere. Now implemented, the program needs

base funding of $655,000 in fiscal year 2005 to maintain these essential elements of the program.

BOARD OF CONTRACT APPEALS

Question. In fiscal year 2004, the Board of Contract Appeals continued to hear Coast Guard appeals pursuant to a Memorandum of Understanding between DOT and the Department of Homeland Security. Will the board continue to hear Coast Guard appeals in fiscal year 2005?

Answer. Yes, the Board of Contract Appeals will continue to hear Coast Guard appeals in fiscal year 2005 pursuant to a Memorandum of Understanding between DOT and the Department of Homeland Security, in addition to other new appeals from the Department of Homeland Security.

Question. Has DHS established its own board of contract appeals?

Answer. No, the Department of Homeland Security has not established its own board of contract appeals. The Memorandum of Understanding between the Department of Transportation and the Department of Homeland Security provides for the DOT Board of Contract Appeals to hear and decide all appeals arising out of DHS contracts.

Question. Does DHS reimburse DOT for hearing DHS appeals?

Answer. Yes, DHS reimburses DOT for hearing DHS appeals.

Question. Please breakdown in greater detail the Board's workload that is projected for fiscal year 2005 compared to the past 4 fiscal years.

Answer. The information follows.

STATISTICAL BREAKDOWN OF BOARD'S WORKLOAD—FISCAL YEAR 2001-FISCAL YEAR 2004

Fiscal Year	Appeals Received	Appeals Closed	On Docket End of Fiscal Year
2001	29	50	66
2002	21	32	55
2003	29	36	48
2004	[1] 277	[2] 120	

[1] Total appeals received in fiscal year 2004 to 6/18/04.
[2] Total appeals closed in fiscal year 2004 to 6/18/04.

The Board anticipates approximately 25 percent more appeals in fiscal year 2005 as a result of hearing and deciding Department of Homeland Security appeals.

OFFICE OF INTELLIGENCE AND SECURITY

Question. Please compare the budget request for the Office of Intelligence and Security with the past 5 fiscal years.

Answer. The information follows.

[In thousands of dollars]

	Amount
Fiscal Year 2000	$1,574
Fiscal Year 2001	3,494
Fiscal Year 2002	1,321
Fiscal Year 2003	[1] [2,100]
Fiscal Year 2004	2,225
Fiscal Year 2005	2,260

[1] The Office was funded through a reimbursable agreement with DHS/TSA.

Question. Are any of the funds requested for the Office of Intelligence and Security to provide for the physical security of the Secretary or DOT building?

Answer. No, both the physical security of the Secretary and the security of the DOT buildings are budgeted under the Office of the Assistant Secretary for Administration.

Question. Please list the positions that are vacant in the Office of Intelligence and Security and provide the grade, title, and PC&B cost for each position.

Answer. The SES position of Director of the Office and Intelligence and Security has been filled with a temporary assignment of a Senior Executive within the department.

There are currently two specialist vacancies in the Office (see below). The duties of these positions are currently being discharged by details of employees from the Operating Administrations while recruitment actions are underway.

Position Title	Grade	PC&B Cost
National Security Specialist	GS–14	$132,000
Border Security Specialist	GS–14	132,000

Question. The Congressional Justification states that DOT was the lead Federal agency for 7 of 17 transportation security tasks outlined by DHS and HSC for Operation Liberty Shield. What tasks did DOT lead? What were the other tasks and what agency was directed to lead them? Did DOT have a role on the tasks that it did not lead?

Answer. Operation Liberty Shield and the specific agency tasks were classified at the Secret level. The seven transportation security tasks that DOT was the lead Federal agency on related to rail security, hazardous materials (3 tasks), pipeline security, trucking and highway security and aviation.

DOT's support role in the other tasks was limited primarily to information dissemination and communications. However, the Homeland Security Advisory System (HSAS) was raised to "Orange" in conjunction with Liberty Shield. This required DOT to complete dozens of additional tasks to implement the heightened posture.

Question. The report to the Committee regarding the Office of Intelligence and Security states that DOT has explicit statutory security responsibilities in the areas of HAZMAT, national airspace, and rail transportation. What specific statutory security responsibilities in aviation were not transferred to the Transportation Security Administration?

Answer. FAA has responsibility under 49 U.S.C., Transportation, Subtitle VII, Aviation Programs, for the security of its own operations, including the National Airspace System; briefly, FAA is responsible for ensuring that its personnel, its air navigation facilities, and other parts of its integrated system of air traffic control are protected from unlawful interference.

Question. Does DOT have any explicit statutory security responsibilities in the area of transit?

Answer. No.

Question. What was the Department's role in the TOPOFF exercises?

Answer. Since transportation has been identified as a key target for terrorists, DOT has played a key role in the TOPOFF exercises, all of which had transportation events as part of their transportation scenarios. The Department's authority to restrict or close airspace, redirect rail, vehicle and motor carrier traffic and coordinate with mass transit authorities, have been exercised in all TOPOFF scenarios.

In addition, the DOT is a permanent member of the Homeland Security Interagency Incident Management Group (IIMG). The IIMG is the body which is responsible for providing recommendations to the Secretary of DHS for: the threat countermeasure needed, response to an attack, and recovery measures in the event of an attack or natural disaster.

FEDERAL PERSONNEL PAYROLL SYSTEM

Question. Has the Department completed the migration to the Federal Personnel Payroll System (FPPS)?

Answer. No. The non-FAA components of DOT are scheduled to migrate to FPPS in April 2005 and the FAA is scheduled to migrate in October 2005.

Question. Are any funds requested in the fiscal year 2005 budget request for development, implementation, integration, or other costs associated with FPPS?

Answer. No funds are currently in the fiscal year 2005 budget request because the migration to FPPS was originally scheduled to be completed in fiscal year 2004. Due to greater than anticipated FPPS system changes to meet DOT requirements, the schedule, with OMB approval, was adjusted to implement the non-FAA components of DOT in April 2005 and the FAA in October 2005. The system changes and schedule shift resulted in an unfunded requirement of $9.4 million for fiscal year 2005.

Question. Can any savings be identified with the deployment of FPPS?

Answer. No specific savings have been identified at this time.

OFFICE OF THE ASSISTANT SECRETARY FOR AVIATION AND INTERNATIONAL AFFAIRS

Question. What percentage of the workforce and budget request for the Assistant Secretary for Aviation and International Affairs is related to international aviation activities? How much of the workload is related to aviation economic issues and regulations? What work in each area is expected in fiscal year 2005? How does this compare to fiscal year 2003 and fiscal year 2004?

Answer. Approximately 15 percent of the work of the Office of Aviation Analysis is devoted to international aviation activities, with all of the work performed in the Economic and Policy Analysis Division. The international aviation activities performed by this Division are all related to aviation economic issues and regulations. Work expected in fiscal year 2005 depends largely on changes and developments in the airline industry which is undergoing its most fundamental restructuring since airline deregulation. Similar to work completed in fiscal year 2003 and fiscal year 2004, it will likely include a variety of in-depth analysis of emerging industry issues to ensure that DOT policy remains consistent with commercial developments in such areas as congestion, competition policy, airport access and business practices, mergers, international alliances, and applications for antitrust immunity for joint ventures between United States and foreign carriers. As the United States moves toward a multilateral approach to air service agreements, an understanding of long-term trends in the airline industry's operating and competitive structures will be required to formulate effective negotiating strategies to ensure pro-competitive liberalization. The Office of Aviation Analysis within the Office of Aviation and International Affairs performs all domestic and international aviation analysis for the Department's aviation economic policies.

Under the Emergency Support Function No. 1 (ESF–1) of the National Response Plan, the Department is the lead agency in mobilizing transportation in order to respond to and/or assist in recovery from a terrorist attack or natural disaster.

OFFICE OF THE CHIEF INFORMATION OFFICER

Question. Please provide a table to breakout projects funded under the object class "other costs" in the Office of the CIO and compare to the fiscal year 2004 enacted level after the across the board rescission. Also, please include the amount that was rescinded pursuant to Division H, sec. 168(b) of Public Law 108–199.

Answer. The information follows.

Other	Fiscal Year 2004	Fiscal Year 2005
Office of the Chief Information Officer (OCIO) pay, benefits, unfilled positions	$500,728	$1,000,360
Gartner Group memberships	56,525	200,000
Information Technology (IT) Services Assessment	400,000	50,000
Travel/Training/Supplies	90,000	90,000

The OCIO Fiscal Year 2004 rescission was 0.59 percent=$44,250.

Question. Please provide a table of all charge backs to the modes to supplement the CIO budget.

Answer. The Chief Information Officer's (CIO's) budget is not supplemented through charge backs to the modes. In fiscal year 2004, reprogramming authority was requested to cover a funding shortfall in the enterprise IT security program area that affected security coverage across DOT Operating Administrations. The table below reflects that reprogramming allocation.

IT SECURITY FISCAL YEAR 2004 CHARGES FOR TCI RESPONSE CENTER AND C&A

	Email Count	Percent	TCI Response Center	No. of Systems	Percent	C&A	OA TOTAL
Reprogram Summary:							
BTS	286	0.49	$6,281		0.00		$6,281
FAA	45,046	77.47	$989,247	69	55.65	$556,452	$1,545,699
FHWA	4,826	8.30	$105,983	3	2.42	$24,194	$130,176
FMCSA	1,465	2.52	$32,173	1	0.81	$8,065	$40,237
FRA	1,041	1.79	$22,861		0.00		$22,861
FTA	691	1.19	$15,175	18	14.52	$145,161	$160,336
MARAD	648	1.11	$14,231	7	5.65	$56,452	$70,682
NHTSA	1,524	2.62	$33,468	3	2.42	$24,194	$57,662
OIG	471	0.81	$10,344		0.00		$10,344
RSPA	654	1.12	$14,362	1	0.81	$8,065	$22,427
SLSDC	88	0.15	$1,933		0.00		$1,933
VOLPE	1,409	2.42	$30,943	22	17.74	$177,419	$208,362
Reprogram Subtotal	58,149	100.00	$1,277,000	124	100.00	$1,000,000	$2,277,000
OST Additional Contribution							$200,000
Total Reprogramming and OST Contribution							$2,477,000

IT SECURITY

Question. The Office of the Chief Information Officer is requesting funds to implement a proactive cyber threat intelligence capability. Will this be accomplished by contracting for such services?

Answer. The Transportation Cyber Incident Response Center (TCIRC), which serves as DOT's proactive cyber threat intelligence capability, is staffed by contractor personnel and managed by a Federal security specialist. The TCIRC is a 24/7/365 capability required by OMB Circular A–130, Appendix III and is designed to detect, react and respond to cyber security incidents that may occur throughout the Department's critical IT infrastructure and systems.

Question. How much of the $5,227,000 that has been requested for information technology security is for program administration?

Answer. For fiscal year 2005, $428,556 has been budgeted for IT Security program administration.

Question. Please provide a detailed breakdown of the scope of work and budget for each program that the CIO has planned or executed for fiscal year 2003, 2004, and 2005 in the area of IT security.

Answer. The following table presents the fiscal year 2003, fiscal year 2004, and fiscal year 2005 IT Security Budget by program, scope and funding.

FISCAL YEAR 2003-FISCAL YEAR 2005 IT SECURITY BUDGET & FUNDING REQUEST

Program	Scope	Fiscal Year 2003 Budget	Fiscal Year 2004 Budget	Fiscal Year 2005 Request
Federal Information Management Security Act (FISMA).	Information Technology (IT) security reviews, reporting and remediation planning as required by the 2002 Electronic Government Act, Title III.	$1,131,266	....	....
Transportation Cyber Incident Response Center (TCIRC).	Provides 24-7-365 cyber security incident response to prevent, detect, and respond to incident within the DOT IT infrastructure as required by OMB Circular A–130, Appendix III.	$793,360	$1,630,675	$3,727,000
Certification and Accreditation (C&A).	C&A provides an acceptable level of assurance that security controls are implemented and functioning properly to ensure that IT systems and infrastructure operate appropriately. The authorization (accreditation is required by OMB Circular A–130,.	$1,213,905	$1,391,325	....
Common Access Architecture (CAA).	To define DOT requirements for an enterprise-wide CAA that includes physical and logical access, smart cards, public key infrastructure (PKI)—digital signature and e-Authentication in order to meet Federal standards and to ensure a more secure DOT.	$549,832	$25,000	$1,000,000
Enterprise Security Project (ESP).	Contractor support for security compliance reviews, training and awareness, security assessments.	....	....	$500,000
Total	....	$3,688,363	$3,047,000	$5,227,000

Question. What is the projected out-year funding requirement by fiscal year for IT security?

Answer. Out-year security funding requirements are: fiscal year 2006—$5,354,000; fiscal year 2007—$17,344,000; fiscal year 2008—$9,942,000; and fiscal year 2009—$12,348,000.

The spike in fiscal year 2007 funding requirements is due to the full implementation of the Common Access Architecture in the new DOT headquarters building.

Question. Please provide a list of major contractors supporting the CIO's IT security program, including consulting services, the project they are supporting, and the value of each contract.

Answer. The following is a list of the current major contractors supporting the CIO's IT security program.

MAJOR CONTRACTOR SUPPORTING OCIO IT SECURITY

Contractor	Program	Value
SAIC	Certification & Accreditation (C&A)	$958,322
Mainstay	C&A	$347,000
Breakwater	Transportation Cyber Incident Response Center (TCIRC)	$190,000
Indus	TCIRC	$164,000
Foundstone	TCIRC	$85,000
Working Capital Fund	TCIRC	$1,302,678
Total		$3,047,000

Question. The Congressional Justifications state that the IT security program will result in savings of more than $5 million per year. When will the savings materialize and are the savings recurring? Will the savings occur at the Departmental level or will they be spread among the operating administrations? If these cost-avoidance measures are realized by the modes, how much will each one save?

Answer. DOT will recognize savings through cost avoidance in several areas, through: (1) centralized purchasing and implementation of enterprise-wide hardware/software; and (2) the provision of scaleable security services. In terms of hardware/software, the DOT OCIO has already made a one-time purchase of a security tool that has resulted in a savings of $140,768 in software licensing costs for the Department's modes. These types of cost avoidance are expected to continue and grow as more enterprise-wide license agreements are initiated for security software and tools. The DOT OCIO is also implementing DOT-wide TCIRC operations. If these TCIRC functions were to be performed centrally, it is estimated that each mode would avoid approximately $774,076 per year in recurring software and contract labor costs beginning with full implementation of a centralized IT security program.

Question. What is the CIO doing to protect critical IT systems from attack and what contingency planning is occurring to ensure business continuity in an emergency?

Answer. The CIO protects critical systems through a multi-faceted security program. DOT OCIO has implemented an enterprise wide vulnerability remediation program to ensure that all critical systems are protected from cyber attack. Weekly vulnerability scans are performed using an automated vulnerability scanner. The results of these scans are reviewed monthly by the Chief Information Security Officer. Currently, staff provides follow-up on patch installation as well as other remediation efforts. Follow-up consists of assisting modal IT staff with the patch installations and remediation steps. The OCIO has established a compliance review program to ensure that implementation of security controls, including business continuity plans, for mission critical systems is in accordance with Federal and departmental regulations. The OCIO has established a disaster recovery site to support communications capabilities for all modes in the event of emergency situations.

COMMON ACCESS ARCHITECTURE

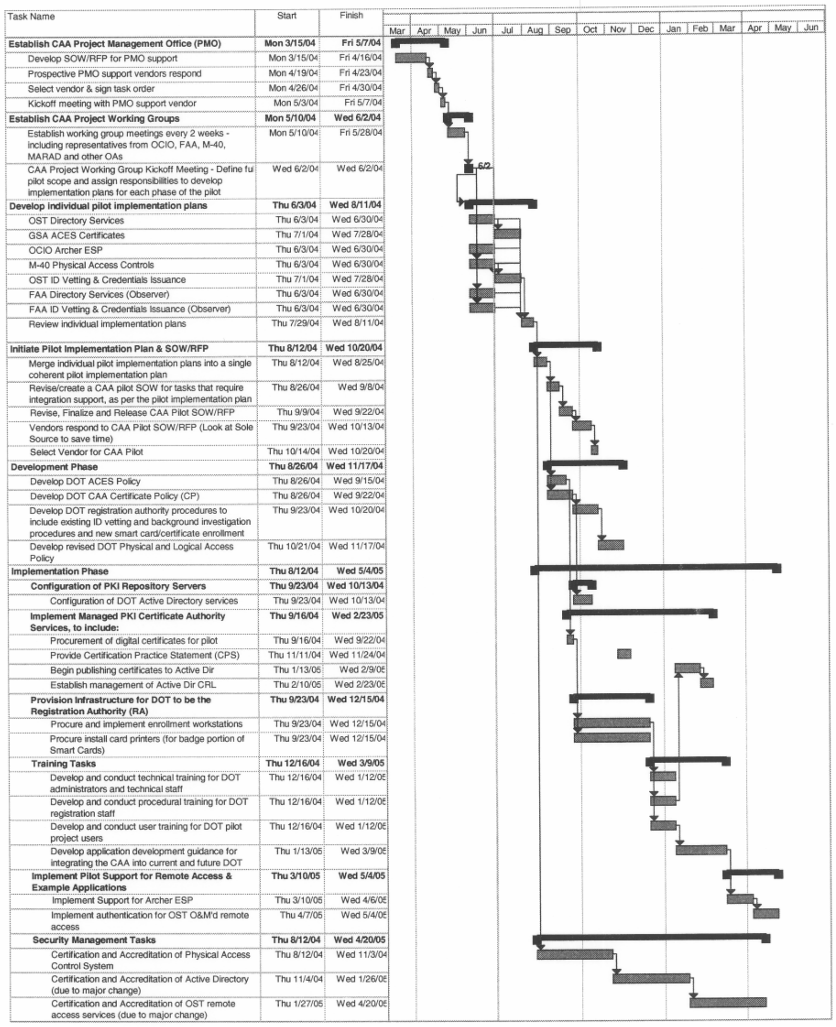
Question. Is the $1,000,000 that the CIO is requesting for the Common Access Architecture being augmented by funding requests in the operating administrations for fiscal year 2005? If so, please provide a table indicating how much each operating administration is requesting?

Answer. The CIO is not requesting augmentation of funding for the Common Access Architecture from the Operating Administrations.

Question. Please provide a detailed profile, including past and current efforts, of the scope of work, milestone schedule, and anticipated costs for the Common Access Architecture project.

Answer. The scope of the Common Access Architecture (CAA) project is to define Department of Transportation (DOT) requirements for an enterprise-wide CAA that includes physical and logical access, smart cards, public key infrastructure (PKI)-digital signature and e-Authentication in order to meet Federal standards and to ensure a more secure DOT environment. With $574,832 funding to date, DOT has completed a CAA requirements analysis, a detailed business case, a communication plan, architecture, an implementation approach document, and is implementing two proof of concept projects for the CAA. The fiscal year 2005 budget request of $1 million will integrate several applications into CAA authentication in order to provide proof of concept for application authentication and to refine integration support procedures so that other DOT applications encounter as smooth a transition as possible as the application owners begin to migrate their applications to CAA authentication.

Once the proof of concept is established from the controlled pilots, the project will result in a common access architecture that: (1) improves physical access control; (2) improves logical access control; and (3) interoperates with the federated identify authentication services. DOT's strategy for this program is to fund the program from the DOT OCIO budget through fiscal year 2009, and then to collaborate with operating administrations to establish fiscal year 2010 and beyond requirements. The following project plan highlights CAA milestones and schedule.



Task Name	Start	Finish
Establish CAA Project Management Office (PMO)	**Mon 3/15/04**	**Fri 5/7/04**
Develop SOW/RFP for PMO support	Mon 3/15/04	Fri 4/16/04
Prospective PMO support vendors respond	Mon 4/19/04	Fri 4/23/04
Select vendor & sign task order	Mon 4/26/04	Fri 4/30/04
Kickoff meeting with PMO support vendor	Mon 5/3/04	Fri 5/7/04
Establish CAA Project Working Groups	**Mon 5/10/04**	**Wed 6/2/04**
Establish working group meetings every 2 weeks - including representatives from OCIO, FAA, M-40, MARAD and other OAs	Mon 5/10/04	Fri 5/28/04
CAA Project Working Group Kickoff Meeting - Define fu pilot scope and assign responsibilities to develop implementation plans for each phase of the pilot	Wed 6/2/04	Wed 6/2/04
Develop individual pilot implementation plans	**Thu 6/3/04**	**Wed 8/11/04**
OST Directory Services	Thu 6/3/04	Wed 6/30/04
GSA ACES Certificates	Thu 7/1/04	Wed 7/28/04
OCIO Archer ESP	Thu 6/3/04	Wed 6/30/04
M-40 Physical Access Controls	Thu 6/3/04	Wed 6/30/04
OST ID Vetting & Credentials Issuance	Thu 7/1/04	Wed 7/28/04
FAA Directory Services (Observer)	Thu 6/3/04	Wed 6/30/04
FAA ID Vetting & Credentials Issuance (Observer)	Thu 6/3/04	Wed 6/30/04
Review individual implementation plans	Thu 7/29/04	Wed 8/11/04
Initiate Pilot Implementation Plan & SOW/RFP	**Thu 8/12/04**	**Wed 10/20/04**
Merge individual pilot implementation plans into a single coherent pilot implementation plan	Thu 8/12/04	Wed 8/25/04
Revise/create a CAA pilot SOW for tasks that require integration support, as per the pilot implementation plan	Thu 8/26/04	Wed 9/8/04
Revise, Finalize and Release CAA Pilot SOW/RFP	Thu 9/9/04	Wed 9/22/04
Vendors respond to CAA Pilot SOW/RFP (Look at Sole Source to save time)	Thu 9/23/04	Wed 10/13/04
Select Vendor for CAA Pilot	Thu 10/14/04	Wed 10/20/04
Development Phase	**Thu 8/26/04**	**Wed 11/17/04**
Develop DOT ACES Policy	Thu 8/26/04	Wed 9/15/04
Develop DOT CAA Certificate Policy (CP)	Thu 8/26/04	Wed 9/22/04
Develop DOT registration authority procedures to include existing ID vetting and background investigation procedures and new smart card/certificate enrollment	Thu 9/23/04	Wed 10/20/04
Develop revised DOT Physical and Logical Access Policy	Thu 10/21/04	Wed 11/17/04
Implementation Phase	**Thu 8/12/04**	**Wed 5/4/05**
Configuration of PKI Repository Servers	**Thu 9/23/04**	**Wed 10/13/04**
Configuration of DOT Active Directory services	Thu 9/23/04	Wed 10/13/04
Implement Managed PKI Certificate Authority Services, to include:	**Thu 9/16/04**	**Wed 2/23/05**
Procurement of digital certificates for pilot	Thu 9/16/04	Wed 9/22/04
Provide Certification Practice Statement (CPS)	Thu 11/11/04	Wed 11/24/04
Begin publishing certificates to Active Dir	Thu 1/13/05	Wed 2/9/05
Establish management of Active Dir CRL	Thu 2/10/05	Wed 2/23/05
Provision Infrastructure for DOT to be the Registration Authority (RA)	**Thu 9/23/04**	**Wed 12/15/04**
Procure and implement enrollment workstations	Thu 9/23/04	Wed 12/15/04
Procure install card printers (for badge portion of Smart Cards)	Thu 9/23/04	Wed 12/15/04
Training Tasks	**Thu 12/16/04**	**Wed 3/9/05**
Develop and conduct technical training for DOT administrators and technical staff	Thu 12/16/04	Wed 1/12/05
Develop and conduct procedural training for DOT registration staff	Thu 12/16/04	Wed 1/12/05
Develop and conduct user training for DOT pilot project users	Thu 12/16/04	Wed 1/12/05
Develop application development guidance for integrating the CAA into current and future DOT	Thu 1/13/05	Wed 3/9/05
Implement Pilot Support for Remote Access & Example Applications	**Thu 3/10/05**	**Wed 5/4/05**
Implement Support for Archer ESP	Thu 3/10/05	Wed 4/6/05
Implement authentication for OST O&M'd remote access	Thu 4/7/05	Wed 5/4/05
Security Management Tasks	**Thu 8/12/04**	**Wed 4/20/05**
Certification and Accreditation of Physical Access Control System	Thu 8/12/04	Wed 11/3/04
Certification and Accreditation of Active Directory (due to major change)	Thu 11/4/04	Wed 1/26/05
Certification and Accreditation of OST remote access services (due to major change)	Thu 1/27/05	Wed 4/20/05

Question. What is the projected out-year funding requirement by fiscal year for the Common Access Architecture project?

Answer. The information follows.

Fiscal year 2006	$2,530,000
Fiscal year 2007	11,590,000
Fiscal year 2008	2,980,000
Fiscal year 2009	4,690,000

Fiscal year 2007 includes costs for full implementation of CAA infrastructure within the Department.

Question. How much of the requested amount will be allocated to studies of biometrics and other technologies?

Answer. In fiscal year 2005, $25,000 is allocated for studies of biometrics and other technologies. DOT expects to minimize the cost of studies based on the previous work that has been accomplished in these areas by government and industry and to adopt existing Federal standards where practical.

Question. How much of the request for Common Access Architecture is for program administration?

Answer. The fiscal year 2005 Common Access Architecture request for program administration is $400,000.

ENTERPRISE ARCHITECTURE

Question. Please provide a list of major contractors and consulting services supporting the CIO's Enterprise Architecture Implementation project and the value of each contract.

Answer. The information follows:

—*Contractor*.—Bowhead Transportation Company, Inc.

—*Services*.—Enterprise Architecture Sustainment and Expert Support.

—*Contract Value (Fiscal Year 2004 Funds)*.—$544,552.

DOT's current EA support task order with Bowhead Transportation Company concludes on September 30, 2004. A new contract has not been awarded. The fiscal year 2004 contract value was $544,552 for Enterprise Architecture sustainment and expert support. And while fiscal year 2005 work will be similar, the proposed contract dollar value will be for full effort funding at $1,933,918, rather than the significantly reduced amount required by the fiscal year 2004 funding level.

Question. How much of the request for Enterprise Architecture Implementation is for program administration?

Answer. In fiscal year 2004, $306,082 has been requested for Enterprise Architecture (EA) Implementation program administration.

Question. Please provide a schedule and funding profile for each project identified under Enterprise Architecture Implementation.

Answer. The Enterprise Architecture implementation activities are all interrelated and do not lend themselves to being broken out as discrete projects. The DOT Enterprise Architecture Program Management Office (EAPMO), supported by contracted expert consultants, will be evaluating numerous business needs/requirements of the Department in support of the IT infrastructure consolidation efforts for the move to the new DOT Headquarters Building, as well as the attainment of the goals set forth in our EA Modernization Blueprint. These project activities are scheduled to run throughout fiscal year 2005. Estimated funding to provide support for these activities in fiscal year 2005 is $2,515,000. For individual project and scheduling details for the Enterprise Architecture Implementation for fiscal year 2005, please see the proposed DOT fiscal year 2004 IT Roadmap v.8 below.

Activity	Start	Finish
IT GOVERNANCE	10/1/04	9/1/05
Develop Fiscal Year 2006 Implementation Plan	10/1/04	11/11/04
Departmental IRB—Investments	10/15/04	10/15/04
Conduct Fiscal Year 2004 Implementation Plan Outreach Mtgs with OA's	10/20/04	11/26/04
Departmental IRB—Control	11/12/04	11/12/04
Departmental IRB—Investments	1/14/05	1/14/05
ARB	1/11/05	1/11/05
Departmental IRB—Control Review	2/11/05	2/11/05
ARB	2/8/05	2/8/05
CIO Council	2/3/05	2/3/05
Initial Fiscal Year 2006 IT Budget Guidance	3/1/05	3/31/05
ARB	3/8/05	3/8/05
CIO Council	3/10/05	3/10/05
ARB	4/12/05	4/12/05
CIO Council	4/7/05	4/7/05
Departmental IRB—Investments	4/15/05	4/15/05
Revised Fiscal Year 2006 IT Budget Guidance	5/3/05	5/3/05
ARB	5/10/05	5/10/05
CIO Council	5/5/05	5/5/05
Departmental IRB—Control	5/13/05	5/13/05
ARB	6/14/05	6/14/05
CIO Council	6/2/05	6/2/05
Departmental IRB—Control	7/15/05	7/15/05

Activity	Start	Finish
ARB	7/12/05	7/12/05
CIO Council	7/7/05	7/7/05
ARB	8/9/05	8/9/05
CIO Council	8/4/05	8/4/05
Departmental IRB—Investments	8/26/05	8/26/05
CIO Council	9/1/05	9/1/05
IT CPIC—SELECT	10/27/04	9/6/05
Update Screening and Scoring Criteria	10/27/04	11/30/04
Update Prioritization Process	11/3/04	12/3/04
Update IT Portfolio Management Process and Analysis	11/3/04	12/31/04
Conduct Fiscal Year 2006 Passback and Revised Exhibit 53 Support	11/26/04	2/1/05
Provide Preliminary Fiscal Year 2007 Portfolio Support	4/5/05	5/30/05
Present Proposed Fiscal Year 2007 Portfolio to OA IRB	5/16/05	5/20/05
OA's Submit Exhibit 300s to OST/OCIO	6/1/05	6/1/05
Present Proposed Fiscal Year 2006 Portfolio Development & Prioritization to ARB/CIO Council.	6/13/05	6/17/05
Conduct Capital Planning Working Group (CPWG) Internal Reviews of Fiscal Year 2007 Exhibit 300s.	6/1/05	6/30/05
OA's Submit Exhibit 53's to OST/OCIO	7/29/05	7/29/05
Submit Final Exhibit 300's to OST/OCIO	8/12/05	8/12/05
Present Final Fiscal Year 2007 Portfolio to Departmental IRB for Approval Prior to OMB Submission.	8/26/05	8/26/05
Submit Final Exhibit 300's and 53's to OMB	9/6/05	9/6/05
IT CPIC—CONTROL	10/18/04	7/15/05
OA Initiative Owners Submit Control Data	10/18/04	10/22/04
Departmental IRB/Control Review	11/12/04	11/12/04
Quarterly Portfolio Assessment	12/31/04	1/13/05
OA Initiative Owners Submit Control Data	1/24/05	1/28/05
Departmental IRB/Control Review	2/11/05	2/11/05
Quarterly Portfolio Assessment	3/31/05	4/13/05
OA Initiative Owners Submit Control Data	4/25/05	4/29/05
Departmental IRB/Control Review	5/13/05	5/13/05
Quarterly Portfolio Assessment	7/1/05	7/7/05
OA Initiative Owners Submit Control Data	7/1/05	7/7/05
Departmental IRB/Control Review	7/15/05	7/15/05
IT CPIC—EVALUATE	2/1/05	7/6/05
Revise PIR Methodology Based on Pilot Results	2/1/05	2/28/05
Conduct PIR for Major System	4/4/05	5/17/05
Conduct PIR for Major System	6/2/05	7/6/05
eCPIC	4/4/05	4/15/05
Conduct Refresher User Training	4/4/05	4/15/05
OST/OCIO TRAINING	11/26/04	7/11/05
Supplemental OA Budget Support for OMB Passback Issues, as needed	11/26/04	1/31/05
Enterprise Architecture (BRM, PRM, TRM, DRM, SRM)	2/25/05	2/25/05
Earned Value Analysis	2/21/05	2/23/05
Risk Management	4/4/05	4/4/05
IT Security, Cost Estimating Tool, Privacy Impact Assessments	4/18/05	4/18/05
Lifecycle Costs/Alternative Analysis	2/14/05	2/14/05
Performance Measurement	3/7/05	3/11/05
OMB Update Training—Revisions to A–11	7/11/05	7/11/05
ENTERPRISE ARCHITECTURE (EA)	10/1/04	9/30/05
Update 2005 Communications Plan	10/1/04	11/1/04
Update Technical Reference Model	10/1/04	11/18/04
Update DOT EA Methodology	10/1/04	11/16/04
Provide Guidance to OA's on EA Baseline, Target, and Implementation Plan Development.	12/2/04	2/1/05
Update EA Repository	1/3/05	1/31/05
Identify Fiscal Year 2007 Enterprise Initiatives	1/3/05	1/31/05
Provide Input for OMB Exhibit 300s	2/1/05	6/16/05
Develop Baseline/Target for all Cross Cutting LOB Identified as Priority	3/1/05	6/29/05
Provide Guidance to OA's to Develop Their Baseline/All Mission LOBs	3/1/05	6/29/05
OA's Deliver Mission Baselines & Targets	6/30/05	6/30/05
Develop High Level Implementation Timelines for Cross-Cutting LOBs	4/4/05	9/2/05
OA's Deliver High Level Implementation Timelines	6/1/05	9/2/05
Executive Briefing Highlighting EA Plans Developed	8/1/05	9/30/05

DOT INVESTMENT REVIEW BOARD

Question. How does the Department Investment Review Board (IRB) decide which topics or issues to focus on?

Answer. The DOT Office of the CIO (OCIO) maintains a system inventory database containing current performance, schedule, cost, measurement, risk and other information for all major IT projects. Also, basic information on non-major IT projects for which the Operating Administrations (OA) have primary responsibility is maintained in the database. The investment system information is the same as required by Federal Information Security Management Act (FISMA). The Departmental IRB conducts control reviews on at risk IT projects at least on a quarterly basis throughout the year. Projects are selected for review based upon one or more of the following factors:

—Criticality to achieving Presidential Management Agenda goals.
—Criticality to achieving DOT strategic goals and objectives.
—High dollar value.
—High risks.
—Significant performance variances, and schedule or cost variances exceeding 10 percent.
—Overall need for executive level management attention to ensure project success.
—Need for information to support planned project funding requests.

On an annual basis, the Departmental IRB and its staff performs a comprehensive select review of all IT projects in support of the budget process. This ensures that the DOT-wide portfolio of IT projects meet modernization goals and contains an appropriate and affordable mix of projects that will assure accomplishment of DOT missions. The DOT CIO makes recommendations to the IRB to consolidate redundant IT spending amongst the Operating Administrations and to establish cross-cutting initiatives that will benefit multiple agencies.

Question. Please provide a list of projects that the IRB reviewed during fiscal year 2003 and to date in fiscal year 2004.

Answer. The DOT IRB reviewed the following projects in fiscal year 2003:

—Artemis (Tread Act Implementation)—NHTSA
—Delphi (Departmental Financial System)—OST
—Federal Personnel and Payroll System (FPPS)—OST
—Geospatial—BTS
—Safety Monitoring and Reporting Tool (SMART)—RSPA
—Intermodal Transportation Data Base (ITD)—BTS
—National Transit Database (NTD)—FTA

The DOT IRB reviewed the following projects as of the second quarter of fiscal year 2004:

—Artemis (Tread Act Implementation)—NHTSA
—Financial Management Information System (FMIS)—FHWA
—Motor Carrier Management Information System (MCMIS)—FMCSA
—ASDE–X (Surface Surveillance)—FAA
—Operational and Supportability Implementation System (OASIS)—FAA
—Wide Area Augmentation System (WAAS)—FAA

Question. In the last fiscal year, what percentage of the overall IT projects did the IRB actively review?

Answer. In fiscal year 2003, the Departmental IRB reviewed 2 percent ($34.2 million) of the Department's Major IT Projects ($1,715.5 million). In fiscal year 2004 to date, the Departmental IRB reviewed 6.4 percent ($105.2 million) of the Department's Major IT Projects ($1,642.1 million).

Question. What are the costs of the IT projects that the IRB reviewed? What are the total costs by operating administration of all IT modernization occurring in the department?

Answer. In fiscal year 2003, the Departmental IRB reviewed 2 percent ($34.2 million) of the Department's Major IT Projects ($1,715.5 million). In fiscal year 2004 to date, the Departmental IRB reviewed 6.4 percent ($105.2 million) of the Department's Major IT Projects ($1,642.1 million). The following table identifies the total cost by Operating Administration (OA) for all IT modernization occurring in the Department for fiscal year 2004 and fiscal year 2005 as reported by the OAs in their OMB exhibit 53 submissions.

DEVELOPMENT/MODERNIZATION/ENHANCEMENT (DME) BY OA FROM EXHIBIT 53 IT PORTFOLIO

[In thousands of dollars]

Organization	Fiscal Year 2004 IT	DME 2004	Fiscal Year 2005 IT	DME 2005
BTS	5.6	0.8	7.1	2
FAA	2,459.70	1,512.20	2,298.70	1,315.50
FHWA	42.3	3.7	63.5	2.2
FMCSA	24.3	15	25.9	13.3
FRA	19.1	3.5	12.3	1.9
FTA	12.9		15.6	
MARAD	9.8	6.5	11.3	7.5
NHTSA	23	3.3	20.4	3
OIG	1		0.9	
OST	216.8	80.5	300.8	136.7
RSPA	19.1	1.7	18.8	1.2
SLSDC	0.1		0.1	
STB	1.5		1.6	
WCF	2		2	
TOTAL	2,837.2	1,627.2	2,779	1,483.3

Question. How many IT investment projects did the IRB terminate or seriously modify through a corrective action plan?

Answer. To date, the Departmental IRB has not terminated any projects. However, in fiscal year 2003 seven investments (total value $37.5 million) were required to take corrective actions based on the IRB review. In fiscal year 2004 five (total value $96.8 million) were required to take corrective actions. All of these projects have accomplished, or are on schedule, with regard to required corrective actions.

Question. In the past, operating administrations have contracted with the Volpe Center to develop and define requirements for IT systems. What is the assessment of the CIO of Volpe's capability in this regard?

Answer. Volpe performance has been varied. Volpe has had both successful and marginal engagements and is changing its contracting and management practices to achieve better consistency.

Question. What guidance, support, or oversight does the CIO provide to FAA for facility and equipment acquisition?

Answer. The CIO performs Exhibit 300 (business Case) review and training.

Question. Do the CIO or the IRB review all of the IT requests throughout the Department before the budget is submitted to OMB?

Answer. Yes. The CIO office conducts reviews of IT requests delineated in the budget process. The IRB reviews the final DOT IT portfolio and the recommendations made by the CIO each August prior to budget submission.

Question. Does the CIO oversee the IT acquisitions made in the Office of Intelligence and Security?

Answer. No. The CIO's office does not oversee the IT acquisitions made in the Office of Intelligence and Security.

IT CAPITAL PLANNING

Question. Are contractors or consulting services used to support the CIO's capital planning and investment control (CPIC) process? If they are, please provide a list of major contractors, the services provided, and the value of each contract.

Answer. The CIO employs one contractor performing two tasks in support of the Departmental CPIC process.

—*Contractor*.—Booz-Allen & Hamilton
—*Services Provided*.—IT CPIC Process Development and Implementation
—*Contract Value (Fiscal year 2004 funds)*.—$358,000
—*Contract Value (Fiscal year 2005 planned)*.—$539,689 (Contract Face Amount)
—*Contractor*.—Booz-Allen & Hamilton
—*Services Provided*.—e-CPIC Software and Database Support
—*Contract Value (Fiscal year 2004 funds)*.—$63,938
—*Contract Value (Fiscal year 2005 planned)*.—$75,000 (Planned Contract Amount)

SECTION 508 COMPLIANCE

Question. What percentage of DOT websites comply with section 508 of the Rehabilitation Act?

Answer. DOT has more than a thousand websites hosting over 2 million web pages. In 2004, DOT conducted an evaluation on whether its most frequently accessed web pages were accessible to people with disabilities. Across the Department, the OCIO evaluated the 259 web pages most visited by DOT stakeholders. Of the pages tested, 79 percent were in compliance. The remaining 21 percent are being remediated by webmasters/page owners. DOT plans to expand its Section 508 website evaluation program over the next 2 years to determine DOT-wide 508 compliance as part of the CIO's fiscal year 2005 budget request.

IT SECURITY

Question. Is the DOT computer system a secure system?

Answer. DOT has a complex array of integrated and independent computer systems in its inventory, many shared within individual agencies, and some shared across Operating Administrations. DOT also has a complex IT infrastructure supporting the communications requirements of its headquarters campus and support for remote locations. The DOT computer system and infrastructure environment is secure.

Question. If it is secure, who certifies that it is secure?

Answer. DOT computer systems go through a formal certification and accreditation (C&A) process. Numerous qualified C&A vendors conduct C&A review and documentation processes using recognized and approved criteria, standards and processes. C&A results are reviewed and signed off on by the Government's system owners. The DOT CIO, in compliance with Clinger-Cohen, reviews and signs off on the systems' security for FISMA.

Question. What is the annual cost to maintain the system?

Answer. DOT computer systems maintenance costs vary by system, type of maintenance, service provider, software and other attributes, including discounts. The fiscal year 2005 budget proposes $1,298.4 million for the maintenance of all DOT computer systems, with $166.1 million of that for maintenance of IT Infrastructure. A key benefit of the OCIO driven consolidation is to reduce the number of systems, components, and thus their maintenance overhead, as well as reduce the annual cost to maintain the Departments vast inventory of computer systems.

Question. How many users have access to the system?

Answer. Nearly 60,000 users have access to DOT systems. Users have access based on need and privilege, and include Government and contract employees. Some portions of the DOT network are accessed by several tens of thousands of users daily, typically for email and data entry and retrieval. OCIO security and common access architecture initiatives are key components in maintaining the integrity of DOT systems through standardized user access and security requirements and access monitoring.

Question. Please describe in detail any contract or consulting expenses anticipated under the CIO's strategic management effort.

Answer. The following table describes detail concerning the CIO's fiscal year 2005 strategic management effort spend plan estimates regarding contractor support:

DEVELOPMENT/MODERNIZATION/ENHANCEMENT (DME) BY OA FROM EXHIBIT 53 IT PORTFOLIO

[In thousands of dollars]

Organization	Fiscal Year 2004 IT	DME 2004	Fiscal Year 2005 IT	DME 2005
BTS	5.6	0.8	7.1	2
FAA	2,459.70	1,512.20	2,298.70	1,315.50
FHWA	42.3	3.7	63.5	2.2
FMCSA	24.3	15	25.9	13.3
FRA	19.1	3.5	12.3	1.9
FTA	12.9		15.6	
MARAD	9.8	6.5	11.3	7.5
NHTSA	23	3.3	20.4	3
OIG	1		0.9	
OST	216.8	80.5	300.8	136.7
RSPA	19.1	1.7	18.8	1.2
SLSDC	0.1		0.1	
STB	1.5		1.6	

DEVELOPMENT/MODERNIZATION/ENHANCEMENT (DME) BY OA FROM EXHIBIT 53 IT PORTFOLIO—Continued

[In thousands of dollars]

Organization	Fiscal Year 2004 IT	DME 2004	Fiscal Year 2005 IT	DME 2005
WCF	2		2	
TOTAL	2,837.2	1,627.2	2,779	1,483.3

In fiscal year 2003, the Departmental IRB reviewed 2 percent ($34.2 million) of the Department's Major IT Projects ($1,715.5 million). In fiscal year 2004 to date, the Departmental IRB reviewed 6.4 percent ($105.2 million) of the Department's Major IT Projects ($1,642.1 million). The following table identifies the total cost by Operating Administration (OA) for all IT modernization occurring in the Department for fiscal year 2004 and fiscal year 2005 as reported by the OAs in their OMB exhibit 53 submissions.

IT CONSOLIDATION

Question. Please breakdown in greater detail the request for the CIO's IT consolidation and operations support.

Answer. The following provides a work breakdown structure (WBS) for the $4,200,000 budget request.

WBS Item	Funds Requested
Network/Server Co-Location	$1,500,000
Storage Consolidation	1,000,000
Digital Document Management	500,000
Contract/Support Consolidation	300,000
Centralized Call Center/Full Remedy Implementation	300,000
Standard Desktop Image Implementation	300,000
Centralized Help Desk	300,000

Question. There appears to be a considerable amount of duplication in the justifications for IT consolidation and operations support with other projects in the CIO's request—for example, "updated and new IT Security Policies," "user identification and password administration," and IT improvements related to the planned move to the new DOT headquarters building. Are these examples and others in the justification distinct from similar projects in IT security, Enterprise Architecture Implementation, and other activities?

Answer. The Office of the CIO (OCIO) performs two distinct missions. One is policy and compliance and the other is operational. The specific missions are: (1) providing department-wide IT program strategy, policy, direction and compliance/oversight; and (2) delivering IT services to DOT customers that conform to departmental policies (i.e. IT security policies). Both missions are complementary but have different scopes and investment requirements. Both require funding as included in our fiscal year 2005 request.

In the OCIO fiscal year 2005 justification, any apparent duplication of efforts between these two missions results when performance outputs are defined for: (1) the development of strategies and policies for a particular activity (e.g., update IT security policies, IT consolidation), and (2) for the operational implementation of the same activity. Each phase of the activity is categorized and managed separately within the OCIO's office depending on if it is in the development stage or the implementation/operational stage. None of these activities are duplicative; rather, they are distinct phases of the same activity. The OCIO's office recognizes the importance of managing these phases separately to ensure the most efficient use of its resources.

In providing IT program leadership, the OCIO oversees the development of an enterprise architecture or blueprint for future IT investments and ensures compliance department-wide. It also provides departmental policies and guidance for securing IT systems, monitors departmental and operating administration compliance and leads strategic projects to improve enterprise security (e.g. the Common Access Architecture). Specifically, to ensure compliance with statutory requirements for the security of critical networks and systems across DOT, the OCIO manages the Transportation Cyber Incident Response Center (TCIRC) and department-wide testing of

systems. In this enterprise security role, the DOT OCIO monitors approximately 500 operational networks and systems throughout DOT, to include those within the FAA and the CIO-operated infrastructure. Funding has been requested for this policy/compliance mission in areas of Enterprise Architecture and Enterprise Security.

In its role as an IT service provider to customers within DOT, the OCIO is directly responsible for running approximately 50 systems and one backbone network, and makes investments that improve service delivery and comply with the enterprise architecture. It also ensures that specific OST infrastructure and operational systems are secure based on departmental guidelines. Day-to-day operations include such diverse activities as implementing network controls, implementing software patches, the administration of passwords, installing virus software on servers and maintaining disaster recovery capabilities.

The operational role of the CIO is expanding through the consolidation of multiple infrastructures within the DOT headquarters building. This effort offers a significant opportunity to improve infrastructure security, reduce service costs and facilitate the move to a new headquarters building. The Department's Enterprise Architecture is providing a basis for building a common operating environment (COE) of desktops, servers, and telecommunications. The COE will become a one of over 25 components of the Department's enterprise architecture. Additionally, the common operating environment will improve security through investments in hardware and software to centralized security management of the entire infrastructure. Funding has be requested for IT operations and consolidation that includes investments to improve security of the infrastructure and to align with the DOT enterprise architecture.

E-GOVERNMENT

Question. How much of the funding requested for e-government will be transferred to the President's Management Council, Federal CIO, CFO and Procurement Executive Councils? How does this compare to fiscal year 2002 and fiscal year 2003?

Answer. In fiscal year 2004, DOT transferred $492,020 to the GSA Interagency Council "Pass-the-Hat" initiative which supports Government-wide financial, information technology, procurement and other management innovations, initiatives, and activities as approved by the Director of OMB. The councils covered under this initiative for fiscal year 2004 are: the CFO Council, the CIO Council, the Federal Acquisition Council (FAC) and the Chief Human Capital Officers Council.

In 2003, DOT paid $690,265 to GSA for this Pass-the-Hat initiative.

In 2002, DOT also paid $690,265 to GSA for this initiative.

STRATEGIC MANAGEMENT FISCAL YEAR 2005 CONTRACT SUPPORT ESTIMATES

GPEA/Forms/Digital Signatures/Records Management	$115,000
Privacy Program Contract Services	100,000
Section 508 Software maintenance/program implementation	82,000
Information Collection Burden program support	80,000
Performance Measurement/IT Workforce Planning	60,000
Total	437,000

Question. Please breakdown the request for e-government by planned activity.

Answer. DOT continues to use technology to save taxpayer dollars and to improve how the Department provides services and information to citizens, business and other government agencies. The fiscal year 2005 funding request is for FTE and contractor staff to improve project management skills within DOT and to lead e-government initiatives to improve service delivery, manage risks and keep projects on schedule and within budget.

The specific planned activities include:

—Creating processes, standards, guidelines and a project life cycle framework to guide all DOT project managers;
—Ensuring that 100 percent of all major new IT investments are managed by a qualified project manager;
—Improving access to and quality of information internally and to citizens and business through enterprise content management capabilities;
—Migrating DOT to a governmental personnel and payroll system;
—Improving mission performance through web portals like Geospatial One-Stop, Grants.gov and Business Gateway; and

—Improving the quality and consistency of human resource data by integrating multiple data bases and sharing information among multiple systems and processes.

Question. Is funding requested for development of the Department's internet home page?

Answer. Yes. In fiscal year 2005 the CIO will invest $175,000 in improvements to the Department's internet home page, including content management.

Question. What is the funding request for development of an intranet? Would the modes have access to the intranet? Have any of the modes already developed intranets? If they do, how does the CIO plan to make them interoperable or compatible with a department-wide intranet? What capability does an intranet provided that does not exist currently?

Answer. The CIO's fiscal year 2005 funding request includes $50,000 for the DOT intranet. Modes have access to the current DOT intranet, and will have access to future DOT sponsored intranet services. The Federal Highway Administration, the Federal Aviation Administration, Federal Motor Carrier Safety Administration, National Highway Traffic Safety Administration, and the Federal Transit Administration have developed certain intranet capabilities accessible internally by their employees. Through the commonality of format and best practices content management and portal implementations, the CIO will drive intranet consistency across a department-wide intranet environment, improving such aspects as ease of use, information availability, and remote access.

Question. What is your plan to get from "red" to "green" in the President's management agenda? What progress does the Department expect to make in fiscal year 2004? Since the fiscal year 2005 budget request was transmitted in February, what specific steps has CIO taken to work with OMB to get to "green"?

Answer. Through the Office of the Chief Information Officer, DOT has instituted three department-wide processes to get from red to green in the President's Management Agenda. First, DOT has established a Department Wide Capital Planning and Investment Control Process, led by a Departmental Investment Review Board (IRB). This group, chaired by the DOT Deputy Secretary and comprised of the DOT Assistant Secretary for Budget and Programs, the Assistant Secretary for Administration, the General Counsel, four Operating Administrations executives; and the Chief Information Officer, meet quarterly, with reviews and approval oversight for all initiatives and business cases in DOT's IT Portfolio. The IRB also provides control reviews of DOT IT programs to ensure they stay within 10 percent of cost, schedule, and performance goals.

Second, the DOT has established an enterprise architecture and modernization blueprint that identifies DOT's cross-cutting business processes, the IT initiatives supporting these processes, and outlines an implementation plan to eliminate redundant systems while strategically investing in programs that better support safety, mobility, and organizational excellence goals.

Third, the DOT has implemented an Enterprise IT Security Program which has completed certification/accreditation of more than 90 percent of all DOT systems, and has implemented an Inspector General-verified Plan of Action and Milestone (POA&M) Remediation Process to resolve any remaining system weaknesses identified in the certification/accreditation process.

Fourth, the DOT is currently supporting e-government initiatives that improve how DOT provides information and services to American citizens, businesses, other government entities and internally, and a Program Management Office to oversee these initiatives.

In fiscal year 2004, DOT instituted the processes outlined above, resulting in the following accomplishments as of June 30, 2004:

—All business cases have received a passing score from OMB;
—All major IT initiatives programs are within 10 percent cost, schedule, performance variance or have a corrective action plan that will be tracked by the Departmental IRB on a quarterly basis;
—A Modernization Blueprint that outlines DOT's IT investment priorities and strategies has been completed;
—Over 90 percent of all DOT systems have had certification/accreditation or have implemented an IG-verified POA&M process; and,
—Active participation in e-government initiatives has been positive.

IT MODERNIZATION

Question. What are the Department's goals for modernization in fiscal year 2005?

Answer. The DOT CIO's mission is to support the Secretary's vision of a safer, simpler, smarter transportation system. DOT has published the DOT Modernization

Blueprint V.2. that outlines DOT's specific modernization goals to accomplish this vision. DOT began implementing this modernization strategy in fiscal year 2004 and will continue implementing the strategy in fiscal year 2005 and beyond through the accomplishment of three primary goals: modernize cross-cutting systems as a means of eliminating redundant IT systems and services and reinvest those savings into mission support initiatives; consolidate redundant infrastructure operations into a common operating environment; and improve the security of critical DOT networks and systems.

In terms of cross-cutting systems, as a first goal the DOT Investment Review Board (IRB) has established ten system modernization priorities:

—Financial Management;
—Grants Management;
—Recruitment;
—Personal/Payroll Systems;
—Internal Rulemaking Tracking;
—Procurement Management;
—Enterprise Document Management;
—Training;
—Intermodal Transportation Data System (ITDS); and
—Hazmat Data Sharing.

Inter-modal teams have been established to create business cases and associated timeframes and to execute agreed upon strategies. In several cases, planning is being done with Federal e-government programs, such as the ITDS and Personal/Payroll initiatives. In conjunction with this goal, the DOT is establishing a Program Management Office (PMO) to oversee these initiatives, and to ensure that Project Managers are qualified.

The second modernization goal is to consolidate redundant IT infrastructure operations. DOT's consolidation strategy consists of three major phases:

Phase 1 (fiscal year 2004-fiscal year 2005).—Establish common network, server, and desktop standards and consolidate redundant infrastructures for all organizations (OST staff offices and Operating Administrations) moving to the new DOT Headquarters building into a Common Operating Environment (COE) based on these standards.

Phase 2 (fiscal year 2006-fiscal year 2008).—Expand the COE to include DOT field offices and components of FAA where practical.

Phase 3 (fiscal year 2008 and beyond).—Continue to modernize the DOT infrastructure to improve service and provide enhanced services to DOT stakeholders through the use of technology.

The third modernization goal is to improve the security of DOT's networks and systems. This goal will be accomplished through the CIO's requested funding for the Enterprise IT Security Program, and will include: contractor staffing to operate a 24/7 monitoring and incident detection/response center; improved and updated enterprise-wide policies, procedures, hardware and software to monitor and protect all systems within the Common Operating Environment; and through the execution of the Common Access Architecture Project, described later in this document.

IT PROCUREMENT

Question. Does all centralized IT purchasing come through the CIO's office? For all modes or just OST? What centralized purchases are made now that were not made in fiscal year 2003?

Answer. The DOT does not have centralized IT purchasing. Each mode and OST has its own acquisition office to make IT purchases. However, to ensure that the department is making the right investments, the department uses its Enterprise Architecture processes to establish standards and establish enterprise licenses and the Capital Planning and Investment Control process to review proposed IT investments as a part of the budget process. Starting in fiscal year 2005, the department's efforts to reduce redundant IT investments through the consolidation of IT infrastructures will lead to more centralized purchasing as the Department moves to a shared infrastructure among the modes. Also in fiscal year 2005 the DOT CIO will concur with all significant DOT IT procurement requests to ensure consistency with IT budget plans.

Question. Breakout the FTEs by function in the CIO's office.

Answer. The following table shows the FTEs in the CIO's office by function.

OFFICE OF THE CHIEF INFORMATION OFFICER—STAFFING BY FUNCTION

Function	Title
Executive Management	CIO
Executive Management	Deputy CIO
Executive Administration	Prog Anal
Executive Administration	Staff Asst
Staff Administrative Support	Admin Asst
Budget and Administration	Sup Prog Anal
S&E Budget	Prog Anal
S&E Projects	Prog Anal
Internet/DOT Web	Prog Anal
Enterprise Architecture/Capital Planning; Strategic Integration; IT Security	Assoc CIO IT Prog
IT Security	Comp Spec.
IT Security	Prog Anal
Personnel/Systems Security	Prog Anal
Enterprise Architecture/Capital Planning	Comp Spec.
Enterprise Architecture/Capital Planning	Comp Spec.
Enterprise Architecture/Capital Planning	Comp Spec.
Enterprise Architecture/Capital Planning	Prog Anal
Enterprise Architecture/Capital Planning	Sup Prog Anal
Strategic Integration	Prog Anal
Strategic Integration	Prog Anal
Strategic Integration	Prog Anal
IT Consolidation Program Office	Doc Sys Prog Mgr
IT Implementations	Comp Spec.
Enterprise Projects	Sup Prog Anal
Enterprise Projects	Comp Spec.

DELPHI

Question. Please provide the cost and justification data for Delphi. Is this system complete? If not, what is the estimated cost to complete? If it is complete, what is the cost to maintain the system?

Answer. Delphi, DOT's new financial management system, is a state-of-the-art, single-instance, non-customized, commercial off-the-shelf (COTS) accounting and financial management system. Delphi offers flexibility and maintainability at the functional user level; modular, tight integration of functional components; single source data capture; electronic routing and approval; web-enabled processes and report accessibility; electronic commerce capabilities; and, FFMIA compliance.

Delphi uses release 11.5.9 of Oracle Federal Financials, which is COTS software from Oracle Corporation that has been certified by the Joint Financial Management Improvement Program as meeting all Federal accounting requirements. Delphi has replaced DOT's outdated, non-compliant legacy accounting system, which was sunset in March 2004 and is no longer in production.

Benefits of Delphi include:

—Complies with Standard General Ledger.
—Provides a single Accounting Classification Structure throughout DOT.
—Provides Financial Statements from its core system, not external spreadsheets.
—Enables DOT to meet OMB's accelerated schedule for year-end closing and Financial Statements.
—Provides the basis for Managerial Cost Accounting through the Project Accounting module.
—Incorporates best business accounting practices.
—Provides advanced security through audit trails and Roles and Responsibilities.
—Offers simplified upgrading to take advantage of evolving capabilities.
—Eliminates paper, makes documents immediately available to all, and provides sophisticated tracking through the integrated Invoice Imaging & Workflow System.

Delphi is considered fully implemented and is a steady-state system. No funds are needed to complete Delphi. Delphi implementation costs from fiscal year 1998 through fiscal year 2003 totaled $125 million. The cost to maintain Delphi in fiscal year 2004 is $22.05 million.

TCI RESPONSE CENTER

Question. Please breakout the response center costs.

Answer. The following table breaks out the "TCI Response Center Budget—Fiscal Year 2005."

TCI RESPONSE CENTER BUDGET—FISCAL YEAR 2005

Cost Category	Enterprise TCIRC/ IT Security Advice & Assistance
Personnel & Benefits:	
Manager	$114,505
Vacant assistant position	114,505
Subtotal	229,010
Travel	0
Contract Services:	
Senior Analyst	163,637
Senior Analyst	195,000
Mid-level analyst	120,000
Mid-level analyst	115,000
Senior level analyst	190,000
TCIRC Staff Training	100,000
Subtotal Labor	883,637
Supplies	15,000
Equipment, Non-Capital (software, scanning, patch mgmt, Security portal development, etc.)	1,632,144
Subtotal Other Costs	1,647,144
WCF Intrafund:	
Rent Intrafund	77,427
Other (computers, supplies)	215,055
Contract costs	61,136
Subtotal	353,618
Overhead:	
IT Admin & Special Projects	36,902
Financial Mgt Group	44,302
WCF Overhead	10,388
Enterprise Network Operations Center (7/24 monitoring)	522,000
Subtotal	613,591
Grand Total TCIRC	3,727,000

CRITICAL IT SYSTEMS

Question. What progress has the Department made in protecting critical IT systems at OST and the modes?

Answer. In fiscal year 2003, the DOT OCIO initiated two major programs to protect OST and Operating Administration critical IT systems: (1) a program to certify and accredit all of the Department's IT systems; and (2) implementation of the Transportation Cyber Incident Response Center (TCIRC).

In terms of certification/accreditation, the DOT OCIO established a specialized team and standard methodology, worked with OST and the OAs to establish a schedule, and executed a plan completing certification/accreditation for over 90 percent of the DOT computer systems by June 2004. As of September 30, 2003, approximately 40 percent of DOT's IT systems were certified and accredited in accordance with statutory, OMB, and NIST guidance. As of June 15, 2004, DOT has certified and accredited 95.6 percent of all IT systems. Efforts to now correct weaknesses identified through this process, and to test contingency planning efforts, will continue under this program in fiscal year 2005 and the DOT OCIO will also perform compliance reviews of modal IT systems to ensure that the certification and accreditations remain valid and all security controls are being implemented properly.

In terms of the TCIRC, DOT implemented this capability in fiscal year 2003. Today, the TCIRC monitors all DOT network access points, web sites, and other critical systems on a 24/7 basis, operates a vulnerability remediation management program that includes weekly vulnerability scanning and analysis, installs and configures intrusion detection at key network entry points, and provides critical system patch installation assistance to protect DOT IT systems from hackers and other threats. Based on the successful performance of the TCIRC, DOT has had no downtime of mission critical system networks or systems over the past year.

Additionally, the TCIRC monitors all DOT IT systems across the country to determine if illegal software is installed on DOT computer systems, such as peer-to-peer software, which places networks at risk to intrusions or other illegal file sharing activities (such as sharing illegal music). Based on the successful efforts of the TCIRC to identify and eliminate the use of this software, DOT has decreased instances of this software from an average of 25 a month to 1 a month. By providing the TCIRC at the Department-level, DOT is able to capitalize on economies of scale in terms of contracting for specialized contract support, and purchasing hardware and software once to service the entire Department, and is also able to quarantine any potential problems found in one OA immediately so other OAs are not impacted.

CIO CHARGES TO THE MODES

Question. Please provide a detailed break out of all CIO costs charged to the operating administrations, including what these costs are and how the cost was determined for fiscal years 2002, 2003, and 2004 to date.

Answer. There are no CIO costs charged to the Operating Administrations in fiscal years 2002 or 2003. In fiscal year 2004, reprogramming authority was requested to cover a funding shortfall in the enterprise IT security program area that affected security coverage across DOT Operating Administrations. The table below reflects that reprogramming allocation.

IT SECURITY FISCAL YEAR 2004 CHARGES FOR TCI RESPONSE CENTER AND C&A

	Email Count	Percent	TCI Response Center	No. of Systems	Percent	C&A	OA TOTAL
Reprogram Summary:							
BTS	286	0.49	$6,281		0.00		$6,281
FAA	45,046	77.47	$989,247	69	55.65	$556,452	$1,545,699
FHWA	4,826	8.30	$105,983	3	2.42	$24,194	$130,176
FMCSA	1,465	2.52	$32,173	1	0.81	$8,065	$40,237
FRA	1,041	1.79	$22,861		0.00		$22,861
FTA	691	1.19	$15,175	18	14.52	$145,161	$160,336
MARAD	648	1.11	$14,231	7	5.65	$56,452	$70,682
NHTSA	1,524	2.62	$33,468	3	2.42	$24,194	$57,662
OIG	471	0.81	$10,344		0.00		$10,344
RSPA	654	1.12	$14,362	1	0.81	$8,065	$22,427
SLSDC	88	0.15	$1,933		0.00		$1,933
VOLPE	1,409	2.42	$30,943	22	17.74	$177,419	$208,362
Reprogram Subtotal	58,149	100.00	$1,277,000	124	100.00	$1,000,000	$2,277,000
OST Additional Contribution							$200,000
Total Reprogramming and OST Contribution							$2,477,000

DISADVANTAGED BUSINESS ENTERPRISE

Question. Please provide an update on the work of the Secretary's senior level task force on Disadvantaged Business Enterprise fraud. How often has this task force met? What recommendations, if any, have the task force produced? Have they met with the staff of the DOT IG to build on that office's recommendations?

Answer. The Task Force was established to examine the DBE Program and to develop recommendations on improving the ability of the program to meet its objectives. The Task Force was charged with reviewing the findings of the OIG on a number of fraud incidents as well as reviewing the findings of the report initiated at the request of the House Appropriations Committee. The DBE Task Force meets once bi-monthly and has regular meetings with the Department's IG Office to discuss that office's ongoing DBE recommendations.

We expect to be able to implement a series of reforms which will have the effect of improving the management of the program, clarify its purpose, simplify its procedures and insure those who would misuse the DBE program are held to account. The Secretary charged the Task Force with developing recommendations on ways that the DOT can most efficiently and cost effectively increase oversight of the DBE Program, in order to reduce incidents of fraud.

Additionally, the administration's SAFETEA proposal contained a provision in Section 1802(d) which would mandate debarment of contractors who have been convicted of fraud related to Federal-aid highway or transit programs, and mandate the suspension of contractors who have been indicted for offenses relating to fraud. This would codify the debarment of convicted contractors, which under current DOT regulations is a discretionary measure. Under this provision, the Secretary would have the authority to waive suspension and debarment actions to address circumstances relating to non-affiliated subsidiaries of an indicted contractor, and national security concerns.

WORKFORCE RECRUITMENT

Question. Please provide an update on what the Department is doing to recruit and retain the best talent available. The IG has identified that the Department of Homeland Security and the Department of Defense have personnel rules and pay flexibility to assist with retention and recruitment. What is the Department doing to ensure the same benefits for its workforce?

Answer. In our quest to recruit and retain the best talent, DOT has obtained a synergy of effort through intermodal cooperation in implementing a corporate recruitment approach. In particular, during the last year, DOT convened an intermodal Corporate Recruitment Workgroup, consisting of 16 representatives from the different components and offices within DOT. It meets on a bi-monthly basis to collaboratively address ongoing DOT recruitment initiatives in support of closing the DOT skills gaps identified by our ONE DOT Workforce Plan; to identify those strategies that can assist Departmental efforts to develop the next generation of DOT employees; and to look for ways to present a corporate DOT image to the applicants we are trying to attract.

One key activity of the Corporate Recruitment Workgroup is to identify redundancies in recruitment efforts across the Department. As a result, the modes saved money by sharing costs, and DOT jobs have greater visibility by reaching and attracting a wider diverse audience. We outreach to specific groups to recruit a high quality, diverse applicant pool, in cooperation with Selective Placement Coordinators. We continue to evaluate and refine our efforts through quarterly hiring reports (fiscal year 2004 will be our baseline for future outyear comparisons).

We strongly encourage our components to use all of the flexibilities available to them whenever possible, including pay and bonus-related flexibilities (e.g., superior qualifications appointments and recruitment, retention, and relocation bonuses), scheduling flexibilities (e.g., telework and alternative work schedules), and the various special appointing authorities (e.g., the Federal Career Intern Program). Our largest component, the Federal Aviation Administration (FAA), has a number of unique statutory flexibilities that FAA uses to attract and retain a quality workforce. Once the results of the implementation of the Departments of Homeland Security and Defense flexibilities are apparent, we will be in a better position to know how we compete with them for a high quality, diverse workforce and whether similar statutory changes for DOT will be necessary to ensure successful recruitment and retention of the best talent available.

DELPHI

Question. What is the status of the implementation of Delphi by the modal administrations?

Answer. All DOT modal operating administrations (OAs) have implemented Delphi and are using it for accounting operations and financial management. The first OA to covert was the Federal Railroad Administration in April 2000 and the last was the Federal Aviation Administration on November 10, 2003.

DOT is the first cabinet level agency to completely convert all its operating units to a single instance, state-of-the-art, fully compliant COTS financial software package.

The Transportation Security Administration (TSA) was also set up on Delphi when TSA was created in DOT in February 2002. TSA has continued to use Delphi as its accounting system since being transferred to the new Department of Homeland Security (DHS) in March 2003.

Question. Are any of the development costs or operating costs of Delphi expected to be paid by the modal administrations?

Answer. Through fiscal year 2004, all of the development and operating costs for Delphi and for the legacy accounting system that it replaced have been shared by the DOT modal administrations and TSA under an annual reimbursable agreement with the Federal Aviation Administration's Mike Monroney Aeronautical Center in Oklahoma City, where Delphi is hosted, operated and maintained.

The distribution of Delphi development and operating costs is reviewed annually and agreed to by the Delphi Management Committee (DMC). The DMC is composed of representatives from all Delphi customers, currently all DOT modal administrations and the Transportation Security Administration (TSA). TSA has informed DOT that they plan to convert from Delphi to the U.S. Coast Guard's Oracle Federal Financials system in fiscal year 2005.

COMPETITIVE SOURCING

Question. Please describe in greater detail the training proposal related to competitive sourcing. How many employees are expected to receive such training?

Answer. OMB Circular A–76 requires the use of the Win.COMPARE software tool to accomplish competitions. The $15,000 training estimate was based on a contractor providing two Win.COMPARE courses that will allow us up to 20 students per class on site. The training is required to provide instruction for multiple study participants across the Department in the use of this mandated tool to accomplish both Standard and Streamlined competitions during the execution of the Department's Competitive Sourcing "Green" Plan for the upcoming year and beyond. The Department will identify the exact number of employees that will benefit from this training once OMB has approved DOT's "Green" Plan.

ELECTRONIC GRANTS

Question. Which DOT grant making agencies are currently capable of processing grant applications and grant awards through electronic means?

Answer. DOT's E-Grant Task Group is currently in the process of conducting a comprehensive inventory of all electronic methods used in each one of the Department's 59 grant programs. In conjunction with the inventory, they are also performing an analysis of the various system functionalities and the technologies used. This effort is expected to be completed within the next 90 days (September 2004) in concert with the Department's initial e-grant plan.

For purposes of clarification, the Department generally associates the terminology, ". . . grant applications and grant awards . . .", with competitive discretionary type programs. Approximately 99 percent of DOT programs are Mandatory type programs where funds are congressionally apportioned for each State, or based on Formula. DOT Mandatory/Formula programs require States to submit comprehensive State plans versus an "application", inasmuch as recipients are already determined along with funding apportionments, unlike discretionary programs that must undergo a "competitive" application process. However, for both mandatory and discretionary programs within the Department we expect the results of our inventory to show that several programs, use electronic methods to perform some function of their grants life cycle process.

Question. What are the out-year cost estimates for the DOT contribution to the e-grant portal/system?

Answer. The out-year cost estimates are as follows: fiscal year 2005—$754,467; fiscal year 2006—$754,467 to maintain, support and enhance the Grants.gov "find" and "apply" functionality that currently exists. In addition, OMB is sponsoring the Grants Line of Business initiative which is attempting to identify common internal grant processes. This initiative, for which a business case has not yet been developed (and for which agency contributions have not yet been determined), will be the follow-on to the Grants.gov initiative, enabling certain internal functions to be performed using shared technology services/tools.

Question. How much has DOT obligated to date, by year, in support of this effort?

Answer. DOT has obligated a total of $2,735,410 (fiscal year 2002—$88,590; fiscal year 2003—$1,411,410; fiscal year 2004—$1,235,410). There is also one DOT employee detailed for a period of 6 months to work in the Grants.gov Program Management Office.

Question. Are the other partnering agencies making the same contribution?

Answer. There are 26 grant making agencies in total. Currently 11 Partner agencies, including DOT, serve as part of the Grants.gov Executive Board and contribute both fiscal and personnel resources. In August 2002, a funding algorithm and payment schedule was approved by the Executive Board to allocate the funding require-

ments across the 11 Partner agencies. The specific amount of the contribution is determined by the agency's designation as a "large", "medium" or "small" agency, based on the total grant dollars awarded. DOT is categorized as a "large" grant making agency; and is contributing the same amount as HHS, HUD and others in the same category. OMB has directed the Grants.gov PMO to move to a usage-based model in fiscal year 2005 that will require contributions by all grant making agencies.

ELECTRONIC RULEMAKING

Question. What is the schedule and funding profile for the DOT contribution to the E-Rulemaking initiative?

Answer. As the managing partner for this initiative, EPA established the following plan for implementing the Federal Dockets Management System (FDMS), the second phase of the E-Rulemaking initiative:

—*Develop agency implementation plans and dates*.—July–August 2004;
—*Test the FDMS*.—October–December 2004;
—*Migrate agencies to the FDMS*.—January–October 2005.

The DOT funding profile for this effort is: fiscal year 2004—$775,000; fiscal year 2005—$885,000; fiscal year 2006—$955,000 (estimated).

All rulemaking documents published in the Federal Register by any DOT agency since the site was established are/were accessible via Regulations.gov, an internet portal (the first phase of the initiative). To date DOT has received 74 comments submitted from the site. Sixty-five were docketed and nine were rejected because they were either test entries, irrelevant, or blank.

Question. How much has DOT obligated to date, by year in support of this effort?

Answer. To date, DOT has obligated the following:

—*Fiscal year 2003*.—$4,547,500;
—*Fiscal year 2004*.—$544,208; [1]

Question. Please list the other partnering agencies in the E-Rulemaking initiative and provide the contribution each is expected to make.

Answer. EPA is the managing partner for this initiative and led the effort to define required contribution levels. Expected contributions for fiscal year 2005 for their partner agencies are:

Department of Transportation	$885,000
Department of Labor	885,000
Department of Agriculture	885,000
Health and Human Services	885,000
Federal Communications Commission	355,000
Department of Justice	355,000
Housing and Urban Development	355,000
General Services Administration	180,000
National Archives and Records Administration	100,000

Question. Are any other funds requested for E-Rulemaking besides the $800,000 in the Office of General Counsel?

Answer. No, this is the only amount being requested in the Department's budget.

ELECTRONIC BUSINESS PRACTICES

Question. Please compare the fiscal year 2005 budget request for electronic business practices with fiscal years 2003 and 2004.

Answer. DOT's funding requests for "Electronic Business Practices" for fiscal year 2003 through fiscal year 2005 include different initiatives. In fiscal year 2003 ($125,000) and fiscal year 2004 ($176,000), for example, this request was primarily to cover the cost of DOT's contribution to participate in government-wide electronic acquisition initiatives. In fiscal year 2005 ($875,000), however, the request significantly increased to reflect the estimated cost of procuring software licenses for a department-wide acquisition business system (i.e., a contract writing and management system), as mandated by the DOT Investment Review Board.

Question. Please breakdown the request for consolidated HR benefits assistance by specific efforts and also provide a projection of the future developmental requirements under this program.

Answer. The information follows.

[1] Funding for the remaining $230,792 to meet the fiscal year 2004 DOT commitment of $775,000 has been requested from the U.S. Coast Guard and the Transportation Security Administration, who are users of the DOT dockets system.

ESI integrated solution procurement	$250,000
ESI payroll data download	$25,000
Estimated DOI/FPPS programming start-up costs	$30,000–$50,000
Retirement and related benefits training (10–12 sessions including contractor time & travel) [1]	$75,000

[1] With the increasing number of employees who are becoming eligible for retirement, the demand for retirement and benefit counseling and information is increasing substantially. Contractor resources are necessary in order to deliver this service nationwide to DOT employees.

The future developmental requirement under this program is the development and implementation of an electronic record keeping system that will replace the current official personnel file (OPF).

HUMAN RESOURCES INFORMATION SYSTEM

Question. Please provide a schedule and funding history and plan of the Enterprise Human Resources Information System (EHRIS). Please include a breakdown of each modal administration's anticipated share of the costs of development.

Answer. The Enterprise Human Resources Information System (EHRIS) project was intended to implement an ORACLE enterprise application to meet the human resources, training administration, and time collection requirements of the Department of Transportation (DOT), excluding the Federal Aviation Administration (FAA). A companion project, the Corporate Human Resource Information System (CHRIS) was underway in the FAA, with the same goal. The projects were merged with the ORACLE Financial Management implementation within DOT in July, 2002, but never got beyond the planning stage when the project was superseded by the e-Payroll initiative in December of 2002. EHRIS was projected to have been implemented by the end of fiscal year 2004. Approximately $10 million was included in the budget requests between fiscal year 2003 and 2004, of the total projected cost of $14.175 million. The cost distribution to the modal administrations is reflected below:

Administration	As of 9/30/01	Percent	Dollar Amount
OST	539	3.59	$509,253
USCG	6,121	40.80	$5,783,188
FHWA	2,934	19.56	$2,772,076
FMCSA	787	5.25	$743,566
FRA	776	5.17	$733,173
SLSDC	152	1.01	$143,611
FTA	500	3.33	$472,406
NHTSA	660	4.40	$623,575
RSPA	964	6.43	$910,798
OIG	455	3.03	$429,889
MARAD	869	5.79	$821,041
STB	142	0.95	$134,163
BTS	104	0.69	$98,260
Total	15,003	100.00	$14,175,000

The funds requested for EHRIS for fiscal year 2003 and fiscal year 2004 were redirected to fund the Departmental migration to the e-Payroll initiative and no funds were requested in fiscal year 2005.

Question. What is the status of the EHRIS contracts?

Answer. The EHRIS contracts were for program management and systems integration support; the work orders issued on behalf of EHRIS have expired.

Question. Please compare the projected requirements or capabilities of the Enterprise Human Resources Information System (EHRIS) to the Federal Personnel and Payroll System (FPPS).

Answer. At a high level, EHRIS was projected to use Commercial Off the Shelf (COTS) software in an enterprise model to support human resources, training administration, and time collection requirements. EHRIS was not slated to replace the legacy DOT payroll system. The Federal Personnel and Payroll System, implemented in 1997, is an integrated human resources and payroll system. It does not support training administration or meet DOT requirements for time collection.

Question. The justification states FPPS does not address training. Would EHRIS have addressed this? If this is a necessary requirement primarily because of FAA's needs, then should FAA cover those costs?

Answer. EHRIS was slated to address the DOT requirements for training administration, through the use of the ORACLE application software.

With the discontinuation of the EHRIS project in fiscal year 2002, the eLMS system, implemented under the auspices of the e-Training initiative as part of—and funded by—the DOT FPPS migration project, is intended to meet the training administration requirements of all of DOT. Although the training needs of the FAA are highly visible, other modal administrations, such as the Federal Highways Administration, have vigorous training programs which require automated support. The operating costs of the training system will be shared proportionately, in relation to the size of workforce, among DOT's Operating Administrations.

Question. What are the out-year funding requirements for converting to FPPS?

Answer. The funding for FPPS was based on the EHRIS budget which did not include the FAA requirements. There were no funds requested in the fiscal year 2005 budget for EHRIS, subsequently there are none identified for FPPS. There currently is an estimated shortfall of $9.4 million in fiscal year 2005. It is currently anticipated that approximately $858,000 will be requested in fiscal year 2006 to support costs incurred in that year.

OFFICE OF THE ASSISTANT SECRETARY FOR ADMINISTRATION

Question. Please provide a table to breakdown the object class "other costs" in the Office of Administration and compare the request to the fiscal year 2004 enacted level after the across the board rescission. Also, please include the amount that was rescinded pursuant to Division H, sec. 168(b) of Public Law 108–199.

Answer. The information follows.

Object Class		Fiscal Year 2004 Enacted	Fiscal Year 2005 Estimate
	Recission pursuant to Division H, Sec 168(b) Public Law 108–199	$145.0	....
	Across the board reduction per Title 5, Sec 517 of Public Law 108–199	1,482.0	....
1XXX	PC&B	6,265.0	$7,535.2
21	Travel	53.0	70.0
23	Rental payments to GSA	7,836.0	9,014.0
25	OTHER COSTS		
	MSI Program	0.0	130.0
	E-Grants	4.0	350.0
	Electronic Business Process	126.0	943.0
	Online Internet Research Svcs	68.0	110.0
	Security Investigations	80.0	85.0
	New Hqs Building Security	0.0	130.0
	Training	25.0	183.0
	Corporate Recruitment	0.0	500.0
	Consolidated Benefits Assistance	0.0	400.0
	Federal Personnel and Payroll System	153.0	846.8
	OST Cost to WCF	7,856.0	10,030.0
	Reimbursement to USCG Clinic	42.0	37.0
	Workforce Improvements Initiative	66.0	208.0
	DOT-wide Admin and Mgmt Services	277.0	143.2
	Subscriptions	19.0	28.3
	Procurement Strategy Council	0.0	45.0
	Electronic Official Personnel Folders	0.0	1,000.0
	Centralized Workers' Compensation	0.0	250.0
	E-Training Initiative	0.0	750.0
	CPMIS Charges	65.0	85.0
	Federal Employment Information Svcs	23.0	36.7
26	Supplies & Materials	27.0	24.8
	Total	24,612.0	32,935.0

OFFICE OF CIVIL RIGHTS

Question. Please provide detailed justification for the fiscal year 2005 budget request for the Office of Civil Rights by object class.

Answer. *11 and 12.1 PC&B (Includes Transit Benefits and Workmen's Comp).*—DOCR's PC&B request in fiscal year 2005, $9,382, is based on the assumption that DOCR will maintain current fiscal year 2004 staffing levels. This relatively small increase is due to mandatory increases such as pay raises, within-grade-raises and inflation.

21.1 Travel and Transportation of Things ($210).—DOCR staff travels to conduct EEO compliance reviews, participate in panels at conferences and workshops giving

presentations and speeches, and to obtain training associated with carrying out the organization's mission. DOCR's IT Division provides IT infrastructure, telecommunication, application and database services to Departmental Office of Civil Rights (DOCR) employees located in Cambridge, MA, Atlanta, GA, Chicago, IL, Dallas, TX, and San Francisco, CA. Periodic inspections and routine modifications must be performed at each location to ensure adequacy, accuracy and timeliness of the delivery of many of the Departmental Office of Civil Rights (DOCR) mission products and services.

25.2 Other Services ($2,686).—Other Services include:

—*Alternative Dispute Resolution*.—DOCR has administrative responsibility for providing mediation services to DOT's 10 operating administrations (OAs). DOCR ensures the program has skilled mediators and coordinates annual training to meet programmatic and EEOC requirements. DOCR also coordinates assignment of mediators and schedules mediation sessions, ensures that evaluations are completed, and tracks data relating to mediated cases. Finally, DOCR is available to assist OAs with training of EEO Counselors relative to the ADR program. While each OA has responsibility for training its managers and overall workforce, DOCR has increased its assistance for ADR training in order to promote and market the ADR program.

—*EEO Training and Other Training*.—DOCR will conduct program reviews; and direct, administer, and manage DOT's EEO and affirmative employment programs for managers, employees and applicants for employment.

—*Automated Case Tracking Systems (COS)*.—DOCR's automated tracking systems—Web Case Management System (WebCMS), Disadvantage Business Enterprise (DBE) Appeals System, and the External Case Tracking System (XTRAK)—serve as the official Departmental repository for maintaining accurate complaint and appeals information. These critical systems ensure that DOCR meets Secretarial, statutory, regulatory and other reporting requirements.

—*Section 504 Studies & Evaluations*.—Funding will be used to implement recommendations derived from the Department's ongoing Section 504 Self Evaluation and Transition Plan for the accessibility of its facilities and programs to people with disabilities.

—*Final Agency Decision (FADs) Writing*.—Funds will be used to fund preparation of FADs associated with equal employment opportunity (EEO) complaints filed against DOT, including decisions on the merits, compensatory damages assessments, sexual orientation complaint requests for reconsideration, and attorney's fees.

—*Contractual Support*.—DOCR utilizes contractual services to augment in-house EEO investigations. In addition, contractual EEO services are required for situations where a regional office may temporarily be short-staffed, or an urgent timeframe is ordered by EEOC or a Court Judge. DOCR also requires funding for contractual administrative and clerical support functions in order for organizational components to meet its critical mission needs in the most efficient manner possible.

—*Working Capital Fund*.—Pays for administrative support services. These services include building security, copy centers, Departmental programs, the Disability Resource Center, DOT's Worklife initiatives, and other proportional charges that are expended for common services.

—*Reimbursable Service Agreements (Regional Offices)*.—Provide for telecommunication resources, information technology support, administrative support, including mail service and employee transit benefits.

—*Relocation Expenses (San Francisco Regional Office)*.—DOCR prepared an Occupancy Agreement managed by General Services Administration (GSA) to relocate from San Francisco to Los Angeles, CA. DOCR expects to occupy new office space by December 2004.

—*Continuity of Operations*.—The Federal Preparedness Circular, Number 65, dated July 6, 1999, issued by the Federal Emergency Management Agency, requires all agencies to have a facility from which continued essential agency functions remain operational should the primary facility be rendered unusable during an emergency. DOCR has met this requirement and must provide oversight, which requires site visits, for organizations contracted to provide these services on its behalf.

—*Program Evaluation*.—Funds will be used to assess the manner and extent to which DOT civil rights programs achieve intended objectives. In addition, the President's Management Agenda (2002) further identifies the need for devising aggressive strategies for improving the management of the Federal Government.

—*Telecommuting/Telework Program.*—Funds are required to provide technological support for DOCR's participation in DOT's telecommuting/telework program. Information resources include hardware, software, data and records, and telecommunications connectivity.

—*Information Technology Services.*—Funding will support one of the strategic goals outlined in the President's Management Agenda—reducing the barriers of information and communication within DOT by implementing a new Civil Rights Case Management System.

26.0 Supplies and Materials.—Supplies and materials are required to support daily operations, i.e. paper, writing utensils, ink cartridges, research manuals, periodicals, and subscription services. Supplies and materials are also needed to support staff participation at conferences and workshops. Funds are also used to support Presidential interagency efforts and other efforts such as the interagency Holocaust Remembrance event.

31.0 Equipment.—The funding will be used to replace obsolete equipment and computers in DOCR. The Office of Information Technology (IT) and Program Evaluation division integrates equipment that can enhance DOT's Civil Right's business processes. The equipment supports testing and implementation of telecommuting, backup and recovery, presentations, document production and other functions. DOCR's IT Division is responsible for procuring and maintaining all information technology equipment and hardware purchased with Federal funding in support of DOCR's mission. Within the infrastructure, approximately 70 workstations, desktop and network printers, fax machines, digital senders, and scanners are used to provide an effective and efficient business environment to employees. This hardware requires periodic maintenance, upgrades or replacement. During fiscal year 2004 and fiscal year 2005, DOCR's infrastructure must be prepared to support DOT security, telecommuting, human capital, and electronic initiatives.

Question. Please explain in detail the assumptions used to develop the request for personnel compensation and benefits of the Office of Civil Rights.

Answer. DOCR's PC&B request in fiscal year 2005, $9,382, is based on the assumption that DOCR will maintain current fiscal year 2004 staffing levels. This relatively small increase is due to mandatory increases such as pay raises, within-grade-raises and inflation.

Question. Please provide the number of staffing positions and FTE requested, indicating direct and reimbursable, for the Office of Civil Rights.

Answer. In its fiscal year 2005 budget, DOCR requested 64 direct staffing positions and FTE. There are no reimbursable FTE.

Question. Please provide a table listing current staffing for the Office of Civil Rights compared to levels at the end of each quarter of past 5 fiscal years.

Answer. The information follows.

DEPARTMENT OF TRANSPORTATION DEPARTMENTAL OFFICE OF CIVIL RIGHTS STAFFING

	12/31/ 2003	3/31/ 2004	6/18/ 2004	12/31/ 2002	3/31/ 2003	6/30/ 2003	9/30/ 2003	12/31/ 2001	3/31/ 2002	6/30/ 2002	9/30/ 2002	12/31/ 2000	3/31/ 2001	6/30/ 2001	9/30/ 2001	12/31/ 1999	3/31/ 2000	6/30/ 2000	9/30/ 2000
Fiscal Year 2004:																			
1st Quarter	55	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
2nd Quarter	....	58	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
3rd Quarter	....	....	57	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
Fiscal Year 2003:																			
1st Quarter	....	....	....	52	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....
2nd Quarter	....	....	....	....	52	....	....	....	....	....	....	....	....	....	....	....	....	....	....
3rd Quarter	....	....	....	....	....	52	....	....	....	....	....	....	....	....	....	....	....	....	....
4th Quarter	....	....	....	....	....	....	53	....	....	....	....	....	....	....	....	....	....	....	....
Fiscal Year 2002:																			
1st Quarter	....	....	....	....	....	....	....	47	....	....	....	....	....	....	....	....	....	....	....
2nd Quarter	....	....	....	....	....	....	....	....	48	....	....	....	....	....	....	....	....	....	....
3rd Quarter	....	....	....	....	....	....	....	....	....	51	....	....	....	....	....	....	....	....	....
4th Quarter	....	....	....	....	....	....	....	....	....	....	52	....	....	....	....	....	....	....	....
Fiscal Year 2001:																			
1st Quarter	....	....	....	....	....	....	....	....	....	....	....	44	....	....	....	....	....	....	....
2nd Quarter	....	....	....	....	....	....	....	....	....	....	....	....	45	....	....	....	....	....	....
3rd Quarter	....	....	....	....	....	....	....	....	....	....	....	....	....	44	....	....	....	....	....
4th Quarter	....	....	....	....	....	....	....	....	....	....	....	....	....	....	44	....	....	....	....
Fiscal Year 2000:																			
1st Quarter	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	38	....	....	....
2nd Quarter	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	39	....	....
3rd Quarter	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	43	....
4th Quarter	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	....	43

Question. Please provide details on anticipated contract expenses in the Office of Civil Rights.

Answer. *Final Agency Decisions (FADs)*.—Transfer of U.S. Coast Guard to the Department of Homeland Security on September 30, 2003, decreased the workload, but the projected increase in cost per FAD estimated at 5 percent resulted in no change in the total contract amount requested, $250,000.

Administrative and Clerical Support.—DOCR provides administrative and clerical support functions to organizational components to meet critical mission needs in the most efficient and effective manner possible. Clerical support is critical to accomplishing the workload in several of DOCR's divisional offices, $225,000.

EEO Investigations.—DOCR utilizes contractual services to augment in-house EEO investigations. During fiscal year 2004, many internal complaints of employment discrimination were outsourced for investigation to eliminate DOCR's backlog of overage cases. While the goal of a zero-backlog was realized by September 30, 2000, it is necessary to maintain funding for contractual services to prevent future backlogs. In addition, contractual EEO services are required for situations where a regional office may temporarily be short-staffed, or an urgent timeframe is ordered by EEOC or a district court judge, $250,000.

Reimbursable Services.—In addition, DOCR obtains contractual support from DOT's OAs for its regional offices that are located in DOT-owned facilities. The services provided include telecommunication resources, information technology, email, and lease charges, $220,000.

Information Technology Support and Tracking Systems.—DOCR employs the services of IMSG Inc., Actionet, Inc., and Micropact, Inc., to support the products and services required by DOT's internal and external customers. The services supplied by these contractors support the DOCR mission through software development, website and database hosting, software upgrades, and commercial off the shelf license renewal. In addition, DOCR utilizes IT contracts to support requirements outlined in the President's Management Agenda, which include enterprise architecture administration, capital planning support, and security requirements. Finally, DOCR utilizes IT contract support to supply information to complex civil rights queries supporting the Equal Employment Opportunity Commission (EEOC), the Department of Justice, and many freedom of information requests, $300,000.

Question. What is the current backlog of complaints at the Office of Civil Rights? Please compare to last 5 years.

Answer. Currently, and over the past 5 years, DOCR has experienced no backlog of complaints.

Question. What is the status of the relocation of the San Francisco Regional Office?

Answer. DOCR conducted a site search in the Los Angeles area, identified a location, and prepared an occupancy agreement. The new leased site will be managed by the General Services Administration (GSA). DOCR expects to occupy the new location by December 2004. Thus, DOCR plans to close the San Francisco office and relocate to the new site in the Los Angeles area. GSA will assist in all aspects of the move. All employees in the San Francisco office have been notified of the pending move to the new location. DOT's Human Resources office will issue a final letter to all employees. Following receipt of the letter, each employee will designate his or her intention to relocate to the new location or separate from Federal service.

Question. Are the costs requested for the San Francisco Regional Office relocation one-time expenses?

Answer. In fiscal year 2004, the cost of the initial relocation of SFRO employees to Los Angeles, CA, is estimated to cost $370,000. In order to obtain new office space (2,000 sq. ft.) and effect a reimbursable agreement with the Federal Aviation Administration's Western Region located in Los Angeles, CA, DOCR requested start-up funds of approximately $100,000. Other costs associated with the relocation include shipping furniture and equipment and the cost of relocating current employees. Miscellaneous costs, i.e., printing of stationery, is an example of a one-time expense. DOCR's fiscal year 2005 budget request reflects an additional $250,000. This estimate is based on the more generous relocation allowance for real estate costs authorized in 2005 by the General Services Administration. As actual moves occur, some of these funds may be reallocated to personal services to support relocation costs properly reflected as benefits. It also reflects a small budget for shipping charges for supplies, subscriptions and equipment.

MINORITY BUSINESS OUTREACH

Question. How much of the $3,000,000 fiscal year 2005 budget request for Minority Business Outreach funds PC&B?

Answer. The $3,000,000 request for the Minority Business Outreach fund does not include PC&B cost. The Office of the Secretary's Office of Small and Disadvantaged Business Utilization (OSDBU) provides oversight for this program; PC&B are included in the S&E fund.

The Minority Business Outreach fund is used to support partnership agreements with chambers of commerce and trade associations which offer a comprehensive delivery system that targets services towards small Disadvantaged Business Enterprises (DBEs) by: (1) Increasing the number of disadvantaged businesses that enter into transportation-related contracts; (2) Increasing the number of DBE firms that receive surety bonds and working capital through DOT's financial assistance Short Term Lending program and the Bonding Assistance Program; (3) Increasing the number of DBE businesses participating in hands-on-training that is related to specific disciplines required for obtaining transportation related contracts; and, (4) Operating the National Information Clearinghouse (NIC) which provides outreach and contract information to DBE firms.

The Minority Business Outreach fund also supports the Entrepreneurial Training and Technical Assistance Program (ETTAP) through Partnership Agreements with Minority Educational Institutions (MEIs) including Historically Black Colleges and Universities, Hispanic Serving Institutions and Tribal Colleges. This program combines the efforts of MEIs, government, and the private sector to focus on providing transportation-related assistance and procurement information to women-owned and disadvantaged business enterprises (DBEs).

Question. Please provide the number of requested staffing positions and FTE, indicating direct and reimbursable, under the Minority Business Outreach appropriation.

Answer. FTE were not requested under the Minority Business Outreach appropriation.

Question. Please provide a table listing current staffing under Minority Business Outreach compared to levels at the end of each quarter of past 5 fiscal years.

Answer. There are no current or past staffing levels under the Minority Business Outreach fund.

Question. Please describe efforts of the Minority Business Outreach program to encourage and assist Alaska Native Corporations to participate in DOT contracts and grants.

Answer. The U.S. Department of Transportation (DOT) Short Term Lending Program (STLP) provides revolving lines of credit to finance accounts receivable arising from transportation-related contracts. The primary collateral consists of the proceeds of the contracts. One of our Bank Lenders is the Native American Bank, National Association ("NAB") which is a federally-chartered bank that is owned by Native American Bank Corporation, a bank holding company that has been organized by a group of Tribal Nations and Alaska Native Corporations.

Through this resource partner, we have established a significant Indian presence for our outreach efforts. We will continue to seek out opportunities to increase DOT contracting with Native Corporations and to increase the number of DBE Alaska Native Corporations who participate in transportation related contracts. Most of our DOT funds are administered by our contract and grant recipients, through the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), and the Federal Aviation Administration (FAA). All recipients are required to have a DBE program. Under the provisions of 49 CFR parts 23 and 26, Alaska Native Corporations are presumed to be qualified eligible for DBE program participation.

Additionally, we assist Alaska Native Corporations in participating in DOT contracts. Bowhead, a Native Alaskan Corporation currently provides Information Technology services to the DOT Chief Information office under contract.

During fiscal year 2004, the USDOT Northwest TEAM and the DOT Bond Agent from Seattle, Washington traveled to Anchorage, Alaska to participate in an outreach event, hosted by the Port of Anchorage to support the efforts of the Port of Anchorage International Expansion Project. The event was entitled "Industry Day". The Maritime Administration (MARAD) made a request of the OSDBU Minority Resource Center to send representatives to seek out Alaska firms who could bid on contracts with the Intermodal Expansion Project. This is a $260 million project funded through the Maritime Administration. Our TEAM service provider, accompanied by a staff member from HCDI, the Minority Resource Center/OSDBU's contractor for the Marketplace Conferences project participated in this outreach event.

The purpose of the "Industry Day" outreach event was to help inform local ANC and DBE firms about potential opportunities from the Port Expansion Project. Topics ranged from the specifics of the project, the project schedule and contract and subcontracting upcoming opportunities.

Koniag Services, Inc. (KSI) a Native American 8(a) firm, was awarded the contract for project management for the "Industry Day" event and was responsible for hosting the meeting.

NEW DOT HEADQUARTERS BUILDING

Question. What is the unobligated balance of funds made available for the DOT headquarters building?

Answer. The $42 million was apportioned by March 2004, and we are working with GSA to ensure obligation of the full amount by the end of the fiscal year. One-third of the funds are being obligated by the end of June with the balance by the end of September 2004.

Question. Please compare the projected lease rates of the new headquarters building with the terms of the lease of the Nassif building?

Answer. The following chart compares the projected lease rates of the new headquarters building with the lease terms of Nassif building for the period of fiscal year 2004 through fiscal year 2007. The current Nassif lease expires March 2006, and DOT's projected move to the new facility will be completed in November 2006. It is anticipated DOT and GSA will request authority to exercise a short-term lease extension for approximately 10 months.

Rent	Fiscal Year 2004	Fiscal Year 2005	Fiscal Year 2006	Fiscal Year 2007
New HQ Bldg.			$32,928,750	$40,435,470
Nassif Building	$37,000,000	$37,740,000	43,500,000	48,500,000

Question. Please provide a comprehensive list of projects and associated funding amounts for improvements to the Nassif building?

Answer. The Nassif building has been occupied for almost 30 years. There are no comprehensive records going back that far to draw upon to provide the requested information. However, through anecdotal information, the following projects and funding for the Nassif building capital improvements was compiled.

Project	Dates	Cost
Replacement of auxiliary cooling equipment	1995–1996	$452,335
Conversion of below ground space from parking space to office space	1995–1996	700,000
Fitness Center Renovation	1997	482,000
500 KW Emergency Generator (This item will be relocated to new headquarters building.).	1999	500,000
Emergency Command Center Expansion/Renovation	2001–2002	804,938
Installation of Loading Dock Doors	2001–2002	34,464

Question. Please breakdown in greater detail the fiscal year 2005 request for the new headquarters building.

Answer. The information follows.

Description Soft Costs	Fiscal Year 2005 Funds
GSA Managed Contracts:	
Ai:	
Acoustical/Audio Visual Engineer	
Engineering (MEP) DIDs	
Structural Engineering	
Architectural/Construction Admin.	
Disaster Planning	$101,115
Fitness Center Consultant	
Food Service Consultant	
Health Unit Consultant	
Signage Consultant	
Commissioning	200,000
LEEDS Certification	450,000
Building Automation System	40,000
Financial Consultant	
GSA advanced funds	
ARA: Security DIDs	50,000

Description Soft Costs	Fiscal Year 2005 Funds
CQM Awardee:	
Project Administration for Estimating, Scheduling & Inspections for Customization Components)	400,000
Other	19,847
IT/Telecom Design	....
Guard Service (Site Access/Dock/Floor)	1,300,000
Move Consultant	....
Moves (Box, Telecommunications, Furn.)	1,350,000
Occupant Emergency Plan (OEP) Consultant	135,000
Systems Furniture Consultant	125,000
Interior Design Consultant	100,000
MEP Consultant	....
Document Repository	100,000
Employee Handbook	325,000
JBG: CDs—Developer's A/E (26 Design Action Item)	....
Subtotal	4,895,962
GSA (WCF): Telecommunications Design	0
DOT Contracts: Security Consultant	100,000
TOTAL	4,995,962
Hard Costs:	
GSA:	
Furniture	21,100,000
Security Equipment	8,265,000
JBG:	
Base Building Enhancements	7,973,000
Interior Fitout	30,000,000
Building Automation System	2,500,000
Subtotal	69,838,000
GSA (WCF): Telecommunications Hardware	81,639,600
DOT	....
TOTAL	151,477,600
Other Costs:	
GSA FEE (PBS PM Fee)	526,438
GSA FEE (FSS Fee)	3,000,000
TOTAL	3,526,438
TOTAL	160,000,000

Question. How much is the new building expected to cost?

Answer. As identified in the lease agreement negotiated by the General Services Administration, the new facility direct base building construction cost is estimated to be $206 million. In addition, the land and tenant improvement allowance costs are $40.5 million and $23.8 million respectively. DOT's estimated multi-year appropriated funding request for personal property, tenant fit-out and relocation expenses is estimated at $314.2 million.

Question. Please define in detail what customization will be necessary and what the costs of each project are projected to be.

Answer. Customization (tenant fit-out) costs are estimated at $40 million and are comprised of the following specific items:

Interior Tenant Fit Out.—$40,000,000.00:

—Carpet (150,000 SF@$35/SF=$5.25 million)
—Raised Flooring (49,000 SF@$20/SF=$0.980 million)
—Millwork (40,000 SF@$5/SF=$0.2 million)
—Window Treatment (75,000 SF@$1.50/SF=$0.075 million)
—Signage (1.35 million SF@$1/SF=$1.35 million)
—Finishes (1.35 million SF@$35/SF=$5.25 million)

—Pantries (1,280 SF@$30/SF=$.0384 million)
—Upgrade to Building Standard: Lighting, HVAC (General office), Plumbing, Electrical, Telephone Infrastructure, Acoustical Ceiling Tiles and Grid, Hardware (Doors, hardware) (1.35 million SF@$19.90/SF=$26.865 million).

DOT RENT

Question. Please compare what has been appropriated for rental of leased space to actual expenses over the past 5 years.

Answer. Over the past 5 years, the Government's annual appropriated rent payment has been approximately $37 million per year to cover actual rent expenditures for the DOT Nassif building.

WORKING CAPITAL FUND

Question. Please provide a break out of what is included in the request of each modal administration for the Working Capital Fund and identify which account includes such funding.

Answer. The information follows.

OPERATING ADMINISTRATIONS WORKING CAPITAL FUND REQUEST BY ACCOUNT

[In thousands of dollars]

	Fiscal Year 2005 Request
Federal Aviation Administration: Operations	24,626
Federal Highway Administration: LAE	8,299
Federal Motor Carrier Safety Administration: Motor Carrier Safety Operations & Programs	3,586
National Highway Traffic Safety Administration:	
General Fund	7,660
Trust Fund	7,660
Federal Railroad Administration: Safety and Operations	2,928
Federal Transit Administration: Administrative Expense	3,152
St. Lawrence Seaway Development Corp: Saint Lawrence Seaway Development Corp	376
Research and Special Programs Admin:	
Research and Special Programs	2,518
Pipeline Safety	847
Office of the Inspector General: Salaries and Expenses	2,218
Surface Transportation Board: Salaries and Expenses	90
Bureau of Transportation Statistics: Federal aid to Highways allocation	4,093
Maritime Administration: Operations and Training	5,926
Office of the Secretary: Salaries & Expenses, Office of Civil Rights	19,062
Total	93,040

Estimates are provided to the operating administrations to assist them in their budget formulation process. These estimates are used as a building block for the WCF budget request but do not represent the total WCF budget estimate. The WCF obligation request is built upon the customer estimates and additional obligation authority that is used to cover the potential to compete for business which results in higher demand levels for WCF services. For example, increases to demand come about during times of heightened security levels. The WCF budget estimate is developed based on the potential for the WCF to provide business services. Additionally, obligations for capital assets are required in 1 year but are provided to the operating administrations over multiple years based on the depreciation schedule.

Question. Please breakout according to the fiscal year 2005 budget request, the obligations in the Working Capital Fund by line of business and compare to obligations over the past 3 fiscal years.

Answer. The information follows.

WORKING CAPITAL FUND

[In thousands of dollars]

	Fiscal Year 2002 Actual	Fiscal Year 2003 Actual	Fiscal Year 2004 Enacted	Fiscal Year 2005 Estimate
Office of the Deputy Assistant Secretary for Administration	374	96	323	394

WORKING CAPITAL FUND—Continued

[In thousands of dollars]

	Fiscal Year 2002 Actual	Fiscal Year 2003 Actual	Fiscal Year 2004 Enacted	Fiscal Year 2005 Estimate
Office of Strategic Initiatives	426	512	722	717
Office of Financial Management	5,935	5,749	16,095	13,980
Office of Human Resource Management	10,254	10,686	9,923	11,481
Office of Transportation and Facilities Services	135,237	184,793	212,793	225,222
Office of Information Services	24,087	18,421	20,007	21,966
Office of Headquarters Building and Space Management	5,585	5,372	5,112	6,050
Office of Security	10,689	9,993	14,767	17,271
Office of the Senior Procurement Executive	152,465	225,236	126,269	118,439
Total Office of the Assistant Secretary for Administration	345,052	460,858	406,011	415,520
Total Office of the Chief Information Officer	26,199	28,990	53,216	73,378
Total Working Capital Fund	371,251	489,848	459,227	488,898

AUTHORIZATION OF DOT PROGRAMS AND FEES

Question. Please list by agency of the Department of Transportation all appropriations or obligation limitations that are currently unauthorized. Also please provide the year in which the authorization expired.

Answer. The information follows.

The DOT accounts which require authorization/reauthorization in fiscal year 2005 include the following:

APPROPRIATIONS NOT AUTHORIZED BY LAW

[Dollars in thousands]

Agency and Account	Amount of Program or New Fees	Last Year of Authorization	Authorization Level	Appropriations in Last Year of Authorization
Federal Transit Administration:				
Administrative Expenses	$79,931	2004	[2] $56,290	....
Formula Grants	....	2004	[2] 2,862,262	....
University Transportation Research	....	2004	[2] 4,473	....
Transit Planning and Research	....	2004	[2] 93,942	....
Job Access and Reverse Commute	....	2004	[2] 93,196	....
Capital Investment Grants	....	2004	[2] 2,339,241	....
Major Capital Investment Grants	[1] 1,563,198	....	....	....
Formula Grants and Research	[1] 5,622,871	....	....	....
Research and Special Programs:				
Research and Special Programs (Hazardous Materials Safety)	25,486	1997	19,670	$15,268
Emergency Preparedness Grants	14,300	1998	21,250	7,970
Federal Motor Carrier Safety Administration: [3]				
Motor Carrier Safety Operations and Programs	228,000	N/A	N/A	N/A
Motor Carrier Safety Grants	227,000	N/A	N/A	N/A
National Highway Traffic Safety Administration:				
Operations & Research—General Fund	139,300	....	....	....
Operations & Research—Trust Fund	90,000	2003	72,000	[4] 71,532
National Driver Register	4,000	2003	2,000	[4] 1,987
Highway Traffic Safety Grants	456,000	2003	225,000	[4] 223,537
Federal Railroad Administration:				
Safety and Operations [5]	142,396	1998	....	....
Railroad Safety	N/A	1998	90,739	57,050
Grants to the National Passenger Railroad Corp.	900,000	2002	955,000	826,476
Surface Transportation Board	20,621	1998	12,000	13,850

APPROPRIATIONS NOT AUTHORIZED BY LAW—Continued

[Dollars in thousands]

Agency and Account	Amount of Program or New Fees	Last Year of Authorization	Authorization Level	Appropriations in Last Year of Authorization
Federal Highway Administration: Federal-aid Highway Program	[6] 34,282,000	2004	[7] 26,433,750	[8] 33,643,326

[1] Major Capital Investment Grants and Formula Grants and Research reflect a proposed restructuring of accounts.
[2] Reflects amounts authorized in Public Law 108–224 for the period October 1, 2003, to June 30, 2004.
[3] New Account Structure Proposed in Fiscal Year 2004 and Submitted Again in Fiscal Year 2005—Pending Enactment of SAFETEA.
[4] Fiscal year 2003 Appropriation reflects 0.65 percent across-the-board reduction pursuant to Public Law 108–7.
[5] Was formerly the Office of the Administrator and Railroad Safety Accounts. The Office of the Administrator had general authority under 49 U.S.C. Section 103, however, no specific amount was authorized.
[6] Includes all elements except the Emergency Relief program.
[7] Reflects amounts authorized in Public Law 108–224 for the period October 1, 2003, to June 30, 2004.
[8] Represents the limitation on obligations enacted for fiscal year 2004 in Public Law 108–199, net of 0.59 percent rescission. Does not includes exempt obligations for Minimum Guarantee.

Question. Please provide a list of all new programs or fees that require authorization.

Answer. The information follows.

APPROPRIATIONS NOT AUTHORIZED BY LAW

[Dollars in thousands]

Agency and Account	Amount of Program or New Fees	Last Year of Authorization	Authorization Level	Appropriations in Last Year of Authorization
Federal Transit Administration:				
Major Capital Investment Grants	[1] $1,563,198	....	....	....
Formula Grants and Research	[1] 5,622,871	....	....	....
Federal Motor Carrier Safety Administration: [2]				
Motor Carrier Safety Operations and Programs	228,000	N/A	N/A	N/A
Motor Carrier Safety Grants	227,000	N/A	N/A	N/A
National Highway Traffic Safety Administration:				
Operations & Research—General Fund	139,300	....	....	....
Operations & Research—Trust Fund	90,000	2004	[3] $53,681	[4] $71,575
National Driver Register	4,000	2004	[3] 2,684	[4] 3,579
Highway Traffic Safety Grants	456,000	2004	[3] 167,754	[4] 223,673
Federal Highway Administration: Federal-aid Highway Program	[5] 34,282,000	2004	[6] 26,433,750	[7] 33,643,326

[1] Major Capital Investment Grants and Formula Grants and Research reflect a proposed restructuring of accounts.
[2] New Account Structure Proposed in Fiscal Year 2004 and Submitted Again in Fiscal Year 2005—Pending Enactment of SAFETEA.
[3] Reflects amounts authorized in Public Law 108–224 for the period October 1, 2003, to June 30, 2004.
[4] Represents the limitation on obligations enacted for fiscal year 2004 in Public Law 108–199, net of 0.59 percent rescission.
[5] Includes all elements except the Emergency Relief program.
[6] Reflects amounts authorized in Public Law 108–224 for the period October 1, 2003, to June 30, 2004.
[7] Represents the limitation on obligations enacted for fiscal year 2004 in Public Law 108–199, net of 0.59 percent rescission. Does not include exempt obligations for Minimum Guarantee.

AIRLINE STABILIZATION ACT

Question. What is the unobligated balance of funds made available by the Airline Stabilization Act?

Answer. As of June 1, 2004, the program maintained a balance of approximately $270 million for remaining obligations, including the litigation reserve.

Question. What is the amount of funds made available by the Airline Stabilization Act that is under consideration for payment or still being disputed or litigated?

Answer. Two hundred seventy million dollars, including a “litigation reserve.” Were the Department not to prevail in its litigation with Federal Express and two other smaller carriers, it is possible that the Court of Appeals, in framing its decision, could be sufficiently broad in its language so as to permit some other carriers to attempt to revise their applications and seek supplemental payments. Thus, the full balance has been maintained so as to include this litigation reserve. We expect the Court to act very soon in issuing its decision, and are hopeful that this figure can be revised downward thereafter to reflect a favorable outcome in the case.

QUESTIONS SUBMITTED BY SENATOR ROBERT F. BENNETT

TRANSPORTATION OF DIAGNOSTIC AND INFECTIOUS MEDICAL SPECIMENS

Question. The following Medical Specimen Transport White Paper was sent to me by ARUP Laboratories, a medical laboratory affiliated with the University of Utah's Medical Center. I am submitting it for the record so that Secretary Mineta can comment on the concerns raised and the questions I will supply at the end of this document.

"Introduction

"As a result of recent interpretations provided to ARUP Laboratories by the Department of Transportation (DOT) and the Federal Aviation Administration (FAA), an atmosphere of uncertainty now exists within the air transportation system. Medical specimen shipments from hospitals and laboratories in a number of locations within the United States are being rejected for air transport, creating the potential to cause patient harm through delayed testing and result availability.

"Background

"Prior to February 14, 2003, the United States Department of Transportation (DOT) did not regulate the transportation of medical specimens sent for diagnostic purposes within the United States. Prior to January 1, 2003, the International Air Transport Association (IATA), a trade association of the airlines, instructed that medical specimens transported by air were to be divided into two categories: Diagnostic Specimens and Infectious Substances. This requirement was based on regulations put forth by the United Nations International Civil Aviation Organization (UN (ICAO)). Under UN (ICAO) and IATA, Infectious Substances were, and still are, regulated as hazardous materials. The Federal Aviation Administration (FAA), the enforcement agent for DOT, recognizes ICAO regulations, but does not reference IATA rules in their enforcement actions.

"Prior to January 1, 2003, medical specimens that were identified as Diagnostic Specimens could not contain any known or suspected infectious agent. Any specimen that was identified as having an infectious agent required shipment as an Infectious Substance. Infectious Substance shipments could only be transported by airlines that were considered as 'Will Carry' airlines, meaning that they provide formal training and handling information to cargo personnel on Hazardous Materials. Diagnostic Specimens could be shipped by any airline at that time.

"On February 14, 2003, revised DOT regulations went into effect that incorporated a definition for Diagnostic Specimens into the hazardous materials regulations. As a result of this revision, the DOT and FAA are now instructing any airline that is considered a 'Will Not Carry' airline to avoid carrying ALL Diagnostic Specimens.

"Airline routing changes and service discontinuation, partly due to the terrorist attacks of September 11, 2001, have resulted in an increasing number of areas now served almost exclusively by 'Will Not Carry' regional airlines. Under the new regulations, these airlines can no longer carry shipments they had previously been allowed to carry. Delays in diagnostic testing for patients in those areas have the potential to prolong patient management and hospital stays. This will increase medical costs, and could affect as many as 6,000 patients per day receiving results from ARUP Laboratories alone. Other laboratories may have similar issues.

"The DOT offers an exemption for specimens that are not considered infectious in DOT 49 CFR 173.134(b)(2). This exemption is not clearly defined, nor are there any specific instructions for the shipping of these specimens. If we assume, as we have been told, that this exemption creates a new unregulated category, i.e. medical specimen, there is no assurance airlines will recognize such an unregulated term. Because personnel training is a requirement of the regulations, it is, at present, unclear what terminology will be recognized for this category of unregulated specimens. Efforts to quickly and effectively revise existing medical specimen training programs will be further impeded until these concerns are resolved.

"In excess of 80 percent of clinical data is represented by laboratory results. The specimens from which 5 to 10 percent of this clinical data is derived are shipped between requesting and testing locations within the United States that may be affected by these regulatory changes. Lack of consistency between regulatory agencies, the transportation industry, and health care entities (as shippers) potentially create unnecessary liability and may compromise patient care.

"In conclusion, it is noteworthy that the laboratory industry for many years has been a leader in developing safe handling practices to deal with the fact that every single medical specimen is a potentially hazardous material. The industry as a

whole has a remarkable and enviable safety record in the transportation of medical specimens."

Is it the intent of DOT regulations to limit the transport of diagnostic specimens by "will-not-carry" airlines?

Answer. No, the Department of Transportation's (DOT) Hazardous Materials Regulations (HMR; 49 CFR Parts 171–180) establish safety and security requirements for the commercial transportation of hazardous materials by all modes. The regulations are not intended to limit the transportation of hazardous materials by certain types of carriers; rather the regulations set forth the safety and security requirements that must be met by shippers and carriers who choose to transport hazardous materials.

The decision not to carry one or more types of hazardous materials rests with individual carriers, not DOT. Since economic deregulation, air carriers have been able to accept or reject hazardous materials. Air carriers making a business decision to accept hazardous materials are called "will-carry" air carriers and those deciding not to accept hazardous materials are called "will-not-carry" air carriers. These business decisions are influenced by factors such as insurance rates and anticipated hazmat package volumes. Once an air carrier makes this decision, the Federal Aviation Administration (FAA) reviews its hazmat training program. Employees of will-carry air carriers are trained to recognize and accept hazardous materials while employees of will-not-carry air carriers are trained to recognize and reject hazmat. Although air carriers can change their will/will-not-carry status, the initial acceptance procedures applied by their employees is crucial and affects subsequent operational decisions.

Under the Hazardous Materials Regulations (HMR), infectious substances are classed as Division 6.2 materials. An infectious substance is a material known to contain or suspected of containing a pathogen, which is a virus or microorganism that has the potential to cause disease in humans or animals. Infectious substances must be packaged, marked, and labeled in accordance with applicable regulatory requirements; further, shipments of infectious substances must be accompanied by a shipping paper and by appropriate emergency response information. Employees of shippers or carriers who handle infectious substances must be trained in the regulatory requirements that apply to these materials.

Under the HMR, a diagnostic specimen is defined as human or animal material that is being transported for diagnostic or investigational purposes. A diagnostic specimen that, in the judgment of a medical professional, is known to contain or suspected to contain an infectious substance is regulated as a hazardous material under the HMR. However, the requirements applicable to the transportation of diagnostic specimens are less stringent than those for other types of infectious substances. For example, shipments of diagnostic specimens need not be accompanied by shipping papers or emergency response information, and the required training for hazmat employees is less rigorous than for other types of infectious substances.

Under the HMR, a diagnostic specimen that, in the judgment of a medical professional, is not likely to contain an infectious substance is not regulated as a hazardous material and may be transported by a "will-not-carry" air carrier without limitation. Thus, no packaging, shipping documentation, marking or labeling, or training requirements would apply.

Because the HMR exempts diagnostic specimens that do not contain infectious substances from all regulatory requirements, many packages identified as containing diagnostic specimens may not actually contain infectious substances and, thus, could be transported by will-not-carry air carriers. DOT is working with the Centers for Disease Control and Prevention and the International Civil Aviation Organization to consider whether a unique shipping name is necessary to distinguish infectious diagnostic specimens from non-infectious diagnostic specimens.

Question. Has DOT done any analysis with regard to the impact of this regulation on States such as Utah and the Intermountain West that rely on regional air carriers to transport diagnostic specimens?

Answer. No, DOT has not analyzed the impact of the regulations on States that rely on regional air carriers to transport diagnostic specimens. The decision to provide or not provide hazardous materials transportation service on a particular air route is a business decision of the air carrier. The regulations governing the transportation of infectious substances, including diagnostic specimens, were most recently revised and updated in a final rule that became effective on February 14, 2003. The regulatory evaluation developed in support of that rulemaking examined the costs of several regulatory alternatives on shippers and carriers of diagnostic specimens and the benefits that would be expected to accrue from each regulatory alternative on the Nation as a whole.

Representatives from the FAA have met with the Regional Airline Association and the Air Transport Association of America concerning the transport of diagnostic specimens to discuss various alternatives. One alternative would be for the will-not-carry air carrier to contact their diagnostic specimen shipping firms to determine if the packages being offered actually contain infectious substance. If the packages do not contain infectious substances, will-not-carry airlines would be able to accept and transport them.

Question. What is the typical cost for a regional airline to provide training to its employees to qualify to handle "infectious substances"?

Answer. DOT does not collect nor require regional airlines to provide data on costs to qualify employees to handle infectious substances.

The training requirements in the Hazardous Materials Regulations (HMR) are flexible performance standards that permit employers that assign employees to perform functions regulated by the HMR to meet the training requirements using a variety of methods, such as by utilizing classroom training, computer- or web-based training, on-the-job training, or some combination of these and other training methods. The training must include general awareness training that provides familiarity with the requirements of the HMR; function-specific training that provides an understanding of the requirements of the HMR applicable to the specific job each employee performs; safety training that provides information on responding to emergency, personal protection, and methods for avoiding accidents; and security awareness training that familiarizes the employee with the security risks associated with hazardous materials transportation. Training costs for an individual carrier will vary based on the number of people it employs whose job responsibilities directly affect the safety of hazardous materials in transportation and the training methods it elects to utilize.

In addition, in accordance with FAA airworthiness requirements, all air carriers must provide hazmat training. Will-not-carry air carriers must provide some hazmat training to their employees on such topics as labeling, marking and general awareness so they can recognize hazmat. A rough estimate for a will-not-carry air carrier to provide initial training would be $320 per applicable employee. In addition, annual recurrent hazmat training for will-not-carry air carriers would be approximately $160 per applicable employee. These estimates include the cost of the employee's salary while in training. A rough estimate for will-carry air carrier initial training would be an additional $880 (for a total of $1,200) per applicable employee. Annual recurrent hazmat training for will-carry air carriers would be an additional $160 (for a total of $320) per applicable employee.

Question. What can DOT do to provide these regional/national clinical laboratories with regulatory relief so that they can move their specimens more efficiently?

Answer. The Hazardous Materials Regulations (HMR) provide significant regulatory exceptions applicable to the transportation of diagnostic specimens. A diagnostic specimen that, in the judgment of a medical professional, is not likely to contain an infectious substance is not regulated as a hazardous material and, therefore, is not subject to any regulatory requirements. A diagnostic specimen that, in the judgment of a medical professional, contains or is suspected to contain an infectious substance is subject to minimal packaging and hazard communication requirements, but is not regulated as stringently as other types of infectious substances.

For example, an infectious substance generally must be transported in a packaging that has been tested and certified to meet specific performance standards. A diagnostic specimen may be transported in a less stringent, and therefore less expensive, type of packaging. A package containing an infectious substance generally must be marked with the United Nations identification number and proper shipping name of the material and must be labeled with a Division 6.2 label and must be accompanied by a shipping paper and emergency response information. A package containing a diagnostic specimen must be marked only with the words "Diagnostic Specimen" and need not be accompanied by a shipping paper or emergency response information. Further, persons who ship or transport diagnostic specimen are exempt from the training requirements of the HMR; instead employees of such shippers and carriers must be informed about the requirements applicable to the transportation of diagnostic specimens.

In addition, in December, 2003, the FAA corresponded with the Air Transport Association and the Regional Airline Association suggesting that will-not carriers may wish to contact shippers individually. As a result, one regional will-not-carry air carrier serving Utah and the Intermountain West, SkyWest, has developed a "shipper's confirmation of non-infectious substance form" that is acceptable to the FAA. The form is available on the SkyWest website. In addition, it would be acceptable for those offering non-infectious diagnostic specimens to simply mark their packages as NOT containing hazardous material. In fact the ARUP Laboratories, a large shipper

of medical specimens in Utah, indicates on their website that it will mark its packages "Medical Specimens, non HMR." This would also be sufficient to allow will-not-carry air carriers to transport the ARUP non-infectious packages and is acceptable to the FAA.

Question. What was the impetus for DOT's revision of the regulations on February 14, 2003, incorporating a definition for Diagnostic Specimens into hazardous material regulations?

Answer. DOT's adoption of the regulations for transporting infectious substances, including diagnostic specimens, that became effective February 14, 2003, was primarily intended to harmonize the Hazardous Materials Regulations (HMR) with international standards applicable to such transportation.

Generally, to facilitate the safe and efficient transportation of infectious substances, the HMR permit shipments to be transported under provisions of the Technical Instructions for the Safe Transportation of Dangerous Goods by Air (Technical Instructions) issued by the International Civil Aviation Organization (ICAO), the International Maritime Dangerous Goods Code (IMDG Code) issued by the International Maritime Organization (IMO), and the Transportation of Dangerous Goods Regulations (TDG) issued by Transport Canada, as appropriate. Prior to our adoption of the new requirements, however, the HMR did not provide for the level of safety achieved by the ICAO Technical Instructions or the IMDG Code. Moreover, the HMR at that time included a complete exception from all requirements for shipments of diagnostic specimens, even those that contained extremely hazardous infectious substances.

Harmonization of the HMR with the international standards has several important benefits. Carriers are able to train their hazmat employees in a single set of requirements for the classification, packaging, communication of hazards, handling, stowage, and the like, thereby minimizing the possibility for improperly transporting a shipment of infectious substances because of differences in national regulations. Similarly, many shippers find that consistency in regulations for the transportation of infectious substances aids their understanding of what is required, thereby permitting them to more easily comply with these safety regulations when shipping hazardous materials to many different countries. Uniformity of national and international hazardous materials transportation regulations is critical to safety and trade facilitation of hazardous materials transportation. Consistency between United States and international regulations enhances the safety of international hazardous materials transportation through better understanding of the regulations, an increased level of industry compliance, the smooth flow of hazardous materials from their points of origin to their points of destination, and consistent emergency response in the event of a hazardous materials incident.

Question. How would DOT respond to the suggestion of a moratorium on the enforcement of the regulations regarding the classification of Diagnostic Specimens until such time as a study can be made to assess the impact of the regulations on patients, health care, and medical practice within the United States and the risks of allowing "Will-Not-Carry" airlines to carry Diagnostic Specimens?

Answer. DOT strongly opposes an enforcement moratorium applicable to the transportation of diagnostic specimens. Surveillance and enforcement must reflect the underlying safety requirements.

A diagnostic specimen known or suspected to contain an infectious substance poses a safety, health, and security risk in transportation that must be addressed. Diagnostic specimens that contain infectious agents such as the HIV or SARS viruses are routinely transported by air both domestically and internationally. The regulations governing such transportation in the HMR and in international standards protect transport workers and the general public from possible exposure to such infectious agents. The regulations applicable to the transportation of diagnostic specimens were developed through a process that balances their potential costs and other impacts with their benefits. The packaging and hazard communication requirements minimize the possibility that a transport worker or other individual will be exposed to an infectious agent and enhance the ability of carriers and emergency response personnel to effectively respond to an accident involving an infectious agent.

Question. Would DOT consider the addition of laboratory health care professionals to groups studying and promulgating new regulations affecting the transport of laboratory specimens?

Answer. DOT welcomes the participation of laboratory health care or other medical professionals as we consider proposals for revising the current regulatory requirements applicable to the transportation of diagnostic specimens and other types of infectious substances.

Prior to the adoption of the February 14, 2003 regulations, the Federal Aviation Administration (FAA) met with laboratory professionals and carefully considered their comments and concerns as we developed the final regulations. In addition, the American Clinical Laboratory Association, the American Society of Clinical Pathologists, and the American Biological Safety Association were among dozens of organizations and individuals who offered comments to the rulemaking docket on this issue. The international standards applicable to the transportation of infectious substances were recently revised. DOT is currently considering revisions to the HMR to harmonize our domestic requirements with the most recent international revisions. FAA is working with the Centers for Disease Control and Prevention, the Food and Drug Administration, the U.S. Department of Agriculture, and other national agencies responsible for public health issues.

In October 2003, FAA hosted a public meeting specifically to discuss issues related to the air transportation of diagnostic specimens and other infectious substances. In June 2004, the FAA is hosting a second meeting to discuss revisions to the international transportation standards, including revisions that should help make it easier for air carriers to distinguish between diagnostic specimens that are regulated for purposes of transportation and diagnostic specimens that are exempt from such regulation.

QUESTIONS SUBMITTED BY SENATOR RICHARD J. DURBIN

AMTRAK

Question. Why did the administration only include $900 million for Amtrak in the fiscal year 2005 budget when this level of funding will send the company into insolvency?

Answer. The administration believes that the Federal role in intercity passenger rail service needs significant change. While the administration supports intercity passenger rail service as a component of this Nation's system of passenger mobility, we are not willing to commit increasing amounts of limited discretionary funds available for transportation investment on a business model that does not work. However, the administration is prepared to support higher levels of funding for a reformed system of intercity passenger rail service. The administration expects that if Amtrak were to receive $900 million, the corporation could remain solvent through fiscal year 2005 while Congress enacted intercity passenger rail reform legislation, through deferral of capital investments, reductions in overhead and, perhaps, some cuts in services.

Question. Does the administration support reauthorization of Amtrak? Or would the administration rather break the intercity passenger railroad up and privatize operations?

Answer. The administration's legislative proposal, the Passenger Rail Investment Reform Act, outlines a third course of action. The administration believes that intercity passenger rail service should exist where the States, as the driving force behind surface transportation planning, determine that service is an important component of an intermodal plan for passenger mobility and thus worthy of investment. The States would competitively select operators for those services the States deem are important enough to warrant public support from among qualified firms, perhaps including a restructured Amtrak. While these operators would be private sector companies, they would receive operating support from the State(s) and capital investment from the States and Federal Government.

AVIATION DELAYS

Question. How do you expect to proceed on addressing aviation congestion and flight delays at Chicago O'Hare International Airport in addition to the temporary, voluntary flight reductions during peak hours? When will data on the flight reductions be available?

Answer. This administration is committed to addressing aviation congestion in both the short- and long-term by working with the carriers and local authorities. In Vision 100 (Public Law 108–176), Congress gave the Federal Aviation Administration (FAA) a number of new tools to use when demand exceeds capacity at an airport. Under Section 422, the FAA can schedule Delay Reduction Meetings; under Section 423, the FAA can engage in Collaborative Decision Making. In addition, the Administrator retains her authority to issue orders that concern the safety or efficiency of the airspace. While these are all short-term methods, FAA's long-term goal to address congestion nationwide will be accomplished by gaining additional capacity at the Nation's airports. FAA will continue to monitor delays and will adjust ap-

proaches to air traffic delays as needed during the busy summer flying season. Complete data on the effectiveness of the actions taken so far at O'Hare and possible future actions to reduce delays will not be available until after the busy summer flying season.

LEVERAGED LEASE TRANSACTIONS

Question. As you know Mr. Secretary, at the request of the U.S. Treasury Department, the Federal Transportation Administration (FTA) formally suspended its practice of reviewing and approving proposals for leveraged lease transactions involving public transit assets. FTA's decision to immediately comply with Treasury's request and suspend consideration of the 15 pending transactions could have sizable budget implications for the entities that submitted those transactions and who, up until that time, had every reason to believe that FTA would proceed to review and approve those transactions in the same manner it has done for years. Each of these entities likely incurred significant costs in negotiating the leases, and had a reasonable expectation of realizing substantial revenue from them following FTA approval. What is the FTA's plan to reconsider its decision to suspend pending leveraged lease transactions absent further action by Congress on this issue?

Answer. The Department was informed by the Chairman of the Senate Finance Committee in November 2003, that his committee was conducting an investigation of abusive tax shelters involving subway systems and other assets funded with taxpayer dollars and asked for our cooperation in the investigation. Also in November 2003, the Department received a direct request from the Treasury Department that the Federal Transit Administration suspend its review and approval of tax-advantaged lease transactions because of concerns about whether the asserted tax benefits are allowable.

FTA notified the transit agencies whose assets would be involved in the leasing transactions that reviews would be suspended until the Department of Treasury completed its review of these and similar transactions. Should the Treasury Department complete its review and any rulemaking regarding these leasing transactions, FTA would then act in accordance with the resulting instructions from the Treasury Department.

QUESTIONS SUBMITTED BY SENATOR BYRON L. DORGAN

ESSENTIAL AIR SERVICE FUNDING

Question. I am very upset that the administration continually tries to cut back this program which is so important for rural America. Last year, for fiscal year 2004, President Bush proposed only $50 million for EAS, but we in Congress fought hard to maintain funding, and funded EAS at $102 million. This year, even though the FAA reauthorization bill allows up to $115 million for the basic program, plus another $12 million for pilot projects, the administration once again only funds EAS at $50 million. Could you tell me why the administration is not following Congress' mandate in the FAA reauthorization bill?

Answer. The administration believes that the EAS program must be reformed or the costs will escalate out of control. As more and more regional carriers upsize their fleets to larger turboprops or even regional jets, it will leave more communities reliant upon subsidized EAS. In addition, as the spread of low-fare carriers continues, more local communities will be unable to support their local airport's service as passengers are willing to drive for a larger part of their journeys in order to take advantage of nearby, low-fare jet service. EAS service of two or three round trips a day cannot compete with low-fare jet service, and more and more communities are falling into this situation. For example, just a few years ago, Utica, New York generated about 24,000 passengers a year, and was served profitably without EAS subsidy. Shortly after Southwest inaugurated service at Albany and JetBlue at Syracuse (less than 50 miles away), annual, passenger levels fell to 3,500 and we were paying well over $1,000,000 in EAS subsidy in an attempt to compete with the low-fare, jet service nearby. This example illustrates why we need EAS reforms.

ESSENTIAL AIR SERVICE COST-SHARING

Question. I was also disappointed that the President seeks to require all communities receiving EAS funds to provide non-Federal matching funds. Communities fewer than 100 highway miles from a large or medium hub airport, 75 miles from a small hub airport, or 50 highway miles from a non-hub airport with jet service would have to contribute not less than 50 percent and would only be eligible for surface transportation subsidies. Communities in North Dakota that participate in

EAS, such as Devils Lake, Jamestown and Dickinson-Williston, are more than 210 highway miles from a medium or large hub airport, and will have to provide 10 percent, and all others will have to provide not less than 25 percent. This is patently unfair and goes against the purpose of the EAS program to promote and protect air service to rural areas, and I will fight hard to prevent the President's plan from taking effect. Given that Congress explicitly rejected such a harsh cost-sharing requirement in the FAA reauthorization process last year, why would the administration propose it now after the reauthorization bill has passed? Isn't this patently unfair to rural America?

Answer. Requiring a modest contribution would encourage civic officials and business leaders at the local and State levels to evaluate the need for the EAS program, given other local funding priorities, and, as stakeholders in their service, the communities will become key architects in designing their specific transportation package based on their need and requirements.

AIR TRAFFIC CONTROL TRAINING

Question. According to the GAO, the FAA will likely need to hire thousands of air traffic controllers in the next decade to meet increasing traffic demands and to address the anticipated attrition of experienced controllers, predominately because of retirement. The GAO raised the point that "the FAA's process of hiring replacements only after a current controller leaves does not adequately take into consideration the time it takes to train a replacement to become a fully certified controller—up to 5 years, which might result in gaps of coverage or increased overtime." To address this problem, I attached an amendment to expressly authorize the FAA to spend such sums as may be necessary to carry out and expand the Collegiate Training Initiative. As you may know, one of those schools participating is the John D. Odegard School of Aerospace Sciences at UND. Knowing this, what efforts are being taken at the FAA to address this problem? Would you support efforts to add funding for this initiative?

Answer. Currently, the FAA has no plans to expand the Air Traffic Collegiate Training Initiative (AT–CTI) beyond the 13 colleges and universities. The AT–CTI candidate pool is fairly large and growing (about 361 waiting to be hired). The number of controllers to be hired in fiscal year 2004 and beyond is being evaluated. There has been no controller hiring since October 2003. We are reluctant to add additional colleges until the hiring picture is clearer and the need for additional training resources is better quantified.

If the AT–CTI pool grows too large, FAA runs the risk of not being able to hire a significant enough percentage of graduates to make the program worthwhile to the colleges. Colleges market this program to their students and we maintain a balance between having enough candidates and not overstating our ability to hire them. Colleges can withdraw at any time; they are not obligated to the FAA.

The FAA reauthorization bill Vision 100—Century of Aviation Reauthorization Act, Public Law 108–176, allows for AT–CTI expansion if necessary. However, the Departments of Transportation and Treasury and Independent Agencies fiscal year 2004 House Appropriations Report 108–243 specifically directs FAA not to expand the AT–CTI program. It states, "While the Committee does not oppose continuation of the Air Traffic Control Collegiate Training Initiative, the Committee does not believe it should be expanded, and directs the FAA not to expand these programs."

AMTRAK

Question. I was disappointed that the administration has again proposed only $900 million for Amtrak this year. I am particularly concerned about the impact of any cuts to Amtrak on long distance trains, such as the Empire Builder. If enacted, what impact do you think your budget request would have on long distance train service?

Answer. The administration believes that the Federal role in intercity passenger rail service needs significant change. While the administration supports intercity passenger rail service as a component of this Nation's system of passenger mobility, we are not willing to commit increasing amounts of limited discretionary funds available for transportation investment on a business model that does not work. However, the administration is prepared to support higher levels of funding for a reformed system of intercity passenger rail service. The administration expects that if Amtrak were to receive $900 million, the corporation could remain solvent through fiscal year 2005 while Congress enacted intercity passenger rail reform legislation, through deferral of capital investments, reductions in overhead and, perhaps, some cuts in services. Amtrak would determine how to best operate with available resources. Therefore, I would prefer not to speculate which, if any, route

or service type would be impacted in the short-term by the administration's budget request of $900 million for Amtrak.

SUBCOMMITTEE RECESS

Senator SHELBY. Mr. Secretary, I thank you for your appearance. As usual, you bring a lot to the table and a past friendship too.

Secretary MINETA. Thank you very much.

Senator SHELBY. This concludes our hearing.

[Whereupon, at 11:30 a.m., Tuesday, March 9, the subcommittee was recessed, to reconvene subject to the call of the Chair.]